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THE JOURNAL OF THE AMERICAN SOCIETY  
FOR PUBLIC ADMINISTRATION

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# Public Administration Review

THE JOURNAL OF THE AMERICAN SOCIETY FOR PUBLIC ADMINISTRATION

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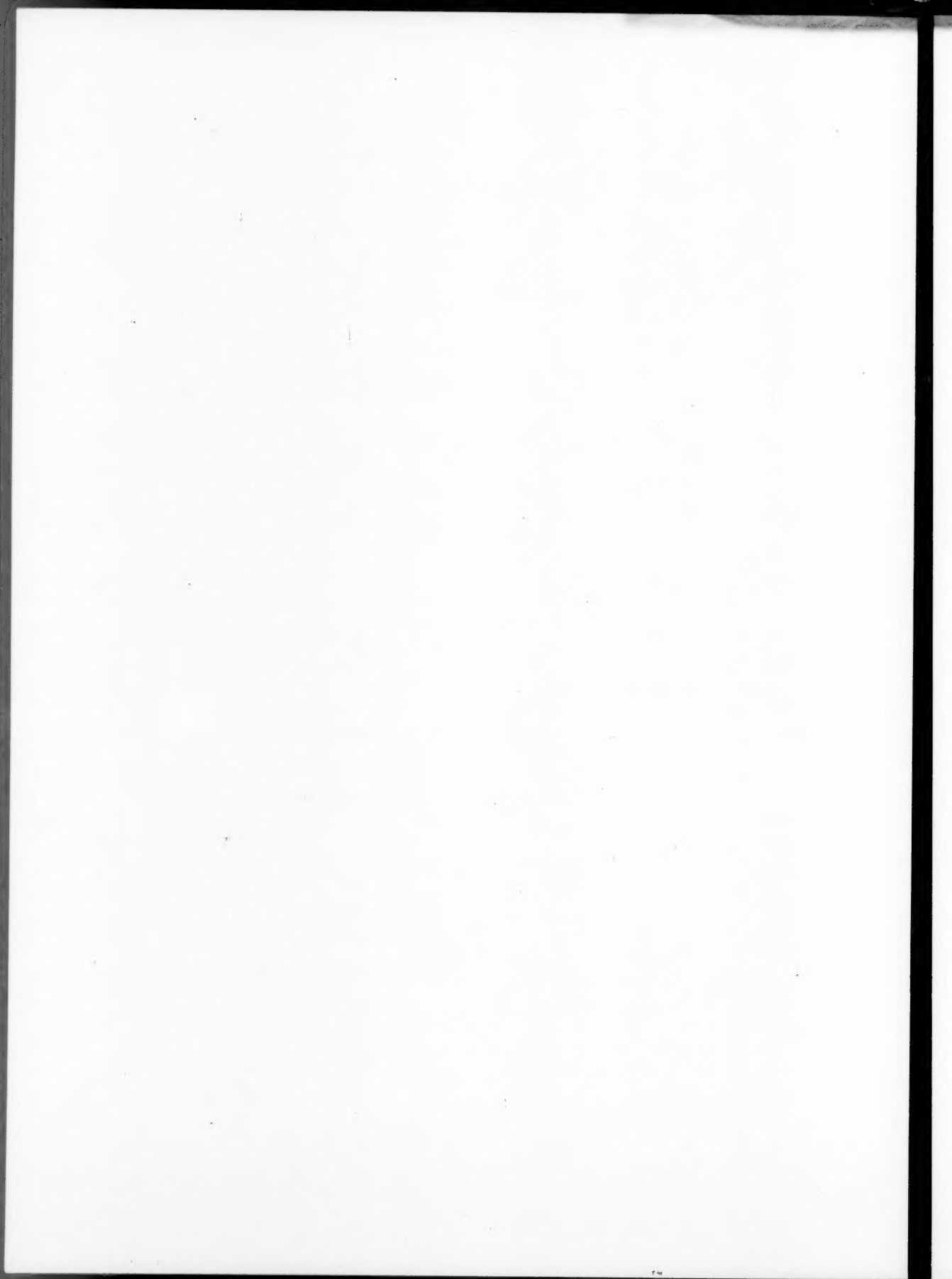
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# The Scope and Content of Administrative Decision—The TVA Illustration

By LAWRENCE L. DURISCH and ROBERT E. LOWRY

*Government Relations and Economics Staff  
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**R**ECENT interest in the process of administrative decision-making directs attention to the decisions themselves. The importance of wise or reasonable or defensible decisions is understood by most participants in agency policy-making, and study of the content of decisions increasingly is recognized as essential to an understanding of administrative performance. In the affairs of every agency certain decisions stand out in retrospect as crucial—choices which shaped the organization, determined its methods, gave it character and personality, and helped make the agency and its program what they are. This paper identifies some of the long list of choices made by the Tennessee Valley Authority over a twenty-year period which in the opinion of the authors deserve to be included among the "key decisions" of the agency.

Those who have studied the Tennessee Valley Authority Act of 1933 generally agree that it gives broad latitude to administrative discretion. The powers conferred on the agency extend far and into many fields, and precedents for authorized courses of action were often lacking. The TVA Act, moreover, has remained substantially unchanged by the Congress since 1933, and has not had extensive judicial interpretation. During the twenty-year operating period only seven individuals have served on its three-man board of directors, the point at which final agency decisions are made. At every period of TVA history continuity with the past has been provided through at least two seasoned board members.

For the purposes of this article it will be sufficient to characterize TVA only briefly and

in the general terms set out in its basic statute enacted in 1933. The agency was created as a government corporation, outside the federal departmental structure, and responsible directly to the President and to the Congress. It was the first federal attempt at program integration on an areal basis for purposes of resource development. Certain of the agency's functions are revenue-producing; others are wholly dependent upon annual appropriations. For some activities, TVA assumes sole administrative responsibility; others require the cooperation of state and local governments. In the emergency atmosphere of 1933 TVA was frankly experimental, designed to plow new ground for a national government suddenly conscious of responsibilities for economic action. Perhaps by design the statute enacted by the Congress left many questions of policy unanswered, gave many opportunities for varying interpretations of its scope by the courts, by the President, and by the agency administrators themselves.

A statement of the tasks assigned TVA is deceptively simple—to improve the Tennessee River for purposes of flood control and navigation, to dispose of electric power generated in the process, to fit the chemical plant facilities at Muscle Shoals into the agricultural needs of the region, and to assist in planning the development of the Tennessee Valley. The Congress provided some directions to the agency and imposed various restrictions upon it. The statute makers were silent, however, on a number of questions soon to require attention. Decisions of far-reaching import were thus left to the board of directors.

### *A Listing of Major TVA Decisions*

**T**WELVE key decisions made by the TVA board are here presented briefly, not necessarily in order of their importance. Each of the decisions was an expression of major policy, although not all were formally so announced. In each case alternate courses of action were available to the administrators. The pros and cons of a proposed course of action were often vigorously presented by staff members. While it is believed that all of the resultant choices represent defensible positions, it is not the primary purpose of this paper to argue their merits or defects, or to speculate on the theoretical and pragmatic considerations which influenced the decisions. Rather the purpose is to show by example the scope and importance of administrative determinations, and to suggest the cumulative effect of major decisions. The choices here recorded have had a large part in defining agency program, in establishing agency character and reputation, and in marshaling support for or opposition to it. Individually and collectively the decisions also have had a part in developing new frontiers of administration.

#### I

*A basic problem of the early TVA board was how to organize to meet its unique responsibilities.*

TVA, as has been noted, is headed by a three-member board. Divided headship was new to the federal organization of 1933 except for agencies which were quasi-judicial, regulatory, or advisory in their principal responsibilities. TVA was none of these. A schismatic approach was especially inappropriate because of the nature of its job—to bring together into one integrated operation a group of federal functions with a tradition of administrative separation. A commission type of divided management was tried but proved inadequate. Under this arrangement one board member assumed direct supervision of construction and land-planning programs; another took over the chemical plant and agricultural programs; a third directed the power program. The result was managerial confusion and board dissension. Reaching agreement on policies was found to require a type of atten-

tion by the responsible agency directors incompatible with their positions as administrators of divided operations.

In a 1938 reorganization, the board made a major decision on which the entire administrative structure of TVA has since been built. The board withdrew from direct supervision of management to devote its attention to the tasks of policy formulation and more general program direction. A newly created office of general manager provided the formal channel of communication between the board and the administrative organization, with responsibility for the execution of board policies and decisions.

This action helped to establish a pattern for administration of other commission-type federal agencies, such as the Atomic Energy Commission and, within the last few months, the Interstate Commerce Commission.

#### II

*A whole series of policy decisions grew out of TVA's responsibilities for improvements on the river. One of the first had to do with force account construction.*

The TVA board as it assembled in the economic emergency days of 1933 faced a major operational problem of getting men employed on construction immediately. Funds for building Norris and Wheeler dams were available, but the prevailing practice of constructing major federal projects by contract meant months of delay. Design work had to be completed before bids could be sought. More time would elapse before the successful bidder actually got men on the job.

The TVA board decided to construct Norris and Wheeler projects by its own facilities, and while design work was still in process. Force account construction of major federal projects, then virtually unknown, was initiated by two major actions: the job of design for the two projects was turned over to the Bureau of Reclamation; nearly 40,000 job applicants were examined, and 10,000 were soon employed on TVA construction payrolls. By the time Pickwick Dam, the third major TVA project, was started a year later certain advantages of force account construction had become evident. A formal TVA decision was

then made to engage directly in engineering design, purchase of land and materials, and employment of labor. The policy thus established has been followed since. No decision has had greater influence upon the character of TVA operations, with attendant effects upon TVA organization and personnel administration.

In 1935 the board established an employee relationship policy which recognized that TVA had thousands of workers on construction jobs which in many ways were indistinguishable from those of private contractors. Collective bargaining was achieved under the policy by an agreement with the Tennessee Valley Trades and Labor Council, an organization of fifteen AFL unions created to bargain and conduct other labor relations with TVA. This agreement, at the time it was made, was unprecedented in federal experience.

### III

*After emergency construction was started, TVA looked to an engineering plan for ultimate development of the entire Tennessee River.*

The TVA Act specified that dams be built for navigation, flood control, and incidental generation of electric power. The river might have been developed either by a large number of low mainstream dams or by a smaller number of high dams. The low dams would achieve navigation alone; the high dams would facilitate flood control as well as navigation, and generate more electric power. There was no precedent in 1933 for construction of high dams where primary purposes were flood control and navigation.

The TVA board, in a 1936 engineering report to the Congress, recommended that full development of the Tennessee River could be achieved to best advantage by construction of seven high dams on the main river and other high storage dams on tributary streams. The economic justification for this position was found in an engineering determination that the water storage capacity necessarily reserved for flood control during months of heavy seasonal rainfall and run-off could be

used for power generation during the remaining months.

An outcome of this board decision to build high dams on the main river was to provide a demonstration of the feasibility and economy of multipurpose river control programs. This demonstration has been of worldwide interest and has affected profoundly river development projects in many countries. It also served to establish power generation as a major national issue in the development of the river and the region.

### IV

*With several power-producing dams nearing completion, finding markets for TVA power became a pressing problem.*

Prior to 1938, TVA had no integrated power service area, nor did it have plans for one. Partially to supply its own construction and operating needs, TVA had built transmission lines connecting the seven dams completed or under construction. It had also built a line to reach chemical plants developing phosphate deposits in Middle Tennessee. The TVA board had centered attention on service to already available but generally dispersed local markets for surplus power. Within reach of its transmission lines, TVA had contracted to sell power to sixteen cities already owning their distribution systems and to fifteen co-operatives locally organized to bring service to adjacent rural territory.

The TVA board decided in 1938 to take steps to acquire whole areas of service by block purchase of facilities from private utilities. This decision broadened the horizon of TVA's power operations. By the end of the following year TVA was marketing hydroelectric power to an operating area extending 400 miles from Knoxville to Memphis. While continuing as a power generating and marketing agency, it had acquired added responsibilities as a public utility, serving as an integrated system most of Tennessee and parts of Alabama, Georgia, and Mississippi. Later acquisition of utility properties under the same policy brought TVA power into parts of Kentucky, North Carolina, and Virginia, and into remaining portions of Tennessee.



## V

*The block purchase of utility properties made necessary a TVA policy with respect to ownership and operation of distribution facilities.*

The TVA Act provided that preference be given to municipalities, cooperatives, and other public agencies in contracts for sale of power. In carrying out this instruction prior to 1938, TVA contracts were almost exclusively with the scattered municipalities of the area already owning their distribution systems and with adjacent rural territories which had organized as cooperatives.

The block purchase of privately operated systems gave a new dimension to the preference clause. It added a sales territory in which no positive action for local ownership had materialized. The new territory, in the absence of positive local action, might under existing authority have been operated by TVA. Certain technical and engineering advantages to such an organization could be cited. It was necessary for TVA to decide whether to continue solely as a wholesaler of power, or to enter into the business of operating distribution properties acquired or in the process of acquisition.

The first alternative prevailed. As part of its utility purchase negotiations in 1938, 1939, 1940, and 1945, TVA encouraged arrangements for municipalities to take over distribution properties; TVA also actively assisted in the organization of cooperatives to acquire rural distribution lines for service to rural territories. Today the entire power service area of 80,000 square miles is blanketed by municipally and cooperatively owned and operated distribution systems.

The decision to withdraw from retail power operations had far-reaching effects upon TVA and its relation to the region and, more important, upon the responsibilities and institutional structure of the region itself. Local ownership within an integrated power system made inevitable a special network of agreements between TVA and distributors to assure mutual performance, but it also made possible a maximum of local participation and decision in the use of the region's power resource. Local ownership of distribution facilities made the region an active partner in

achieving the widest possible use of electricity and a participant in the solution of problems of power supply soon to arise.

## VI

*The establishment of a service area introduced new problems of supplying that territory with adequate power.*

During World War II the demands for power by the federal government, by industry, and by domestic consumers increased tremendously. The question of power supply for national defense needs in the region was partially answered by TVA construction of a steam plant under emergency powers. Shortly after the war it became apparent; however, that power generated at river control installations would not be sufficient to meet the continued rise in domestic and industrial requirements of the power service area.

By a decision shortly after World War II to request funds from Congress for construction of a steam plant at Johnsonville, Tennessee, the TVA board proposed that it be given responsibility for meeting future power requirements in the TVA market region. Like the decision to extend wholesale service within a defined market area, the action to expand generating capacity opened new frontiers of federal power policy.

## VII

*With TVA established as an electric power supplier, its tax relations with state and local governments required attention.*

The creation of an integrated power service area removed an important source of state and local property taxes, directly affecting governmental revenue and services in the area. Acquisitions by TVA of reservoir lands and electric utility properties removed from the rolls as much as 40 per cent of the taxable properties in a few of the more rural counties. State governments also suffered some tax losses, but the amounts were relatively smaller.

To meet the situation, TVA could have pointed out offsetting benefits to the region which far exceeded the amount of tax loss. It could have recommended to the states



changes in state-local financial relations, consolidations of counties, and other internal adjustments in the structure of government to take care of the admittedly difficult fiscal situation confronting a few counties. Some of these governmental changes might have contributed materially to the region's over-all development.

The TVA board decided that the TVA power system as a self-supporting operation should bear a reasonable share of the cost of state and local government and that local government reorganizations ought not be precipitated solely by federal action which removed existing revenue sources. The state and local governments were asked to consider with TVA a joint solution to the problem through payments in lieu of taxes. The payment provisions—agreed to by TVA and the region and approved by the Congress—combined tax replacement and revenue-sharing features. While the formula for computing the in-lieu payments is unique, the method of arriving at the formula by consultation with affected governments is even more noteworthy.

The TVA tax issue provoked spirited debate in the Tennessee Valley in 1939 and 1940. The subject nationally is even more controversial today, as witness the perennial bills before Congress on the general subject of federal payments in lieu of taxes. Yet the tax amendment to the TVA Act represented a position rather quickly arrived at in close consultation with the states. Today, thirteen years later, objections to this aspect of TVA relations with the region seldom arise from the tax jurisdictions most directly concerned.

### VIII

*TVA found it necessary to decide the part public land ownership would play in the program of regional development.*

In TVA's earlier years, many of the staff were convinced that certain land-use problems of the region could be solved by extension of public land ownership. The TVA Act granted sufficient latitude that programs involving public acquisition could have been put into effect. By over-purchase of reservoir lands, for example, TVA might have accomplished a number of incidental objectives that appeared

desirable. Lands thus acquired could be used for experiments and demonstrations in forestry, agriculture, and wildlife habitats. Public access to reservoirs could be controlled pending determination of uses along the margins for recreational, industrial, or other purposes. By later re-sale, the federal government might recapture the value increment of lands by virtue of their new productive use or strategic location. TVA had in fact purchased by 1935 several thousand acres of marginal lands near Norris Reservoir, with a combination of willing sellers and promising opportunities for land rehabilitation as the principal reason for purchase.

In a major reversal of policy, TVA has gradually withdrawn from land management except as essential to reservoir operations. Surplus lands have been or are being sold, other lands transferred to public agencies, and housing properties disposed of either by long-term lease or by outright sale. Even more significant, TVA policy since 1940 has been to obtain use of those reservoir lands not permanently flooded as flowage easements rather than by fee simple purchase; land owners retain full control except that TVA has the right to flood. By these actions, the TVA board recorded its decision to withdraw from ownership and management as instruments for extensive land redevelopment. This did not preclude, however, TVA's active encouragement and assistance to agencies of the region in their development of reservoir margins.

### IX

*The problem of public land ownership as an instrument for redevelopment merged into considerations of TVA relations with regional institutions.*

It was in carrying out its responsibilities to fit the chemical plant at Muscle Shoals into the agricultural needs of the region that the question of formal TVA-regional relationships first arose. The TVA Act suggested but did not require the use of farm organizations, agricultural colleges, and county demonstration agents in the conduct of the regional fertilizer program.

By 1935 the TVA board had decided to work with the land-grant colleges as the state

agents for application of TVA fertilizer experiments. In so doing, the board rejected the alternatives of direct TVA supervision of fertilizer testing or operations through especially created state agencies. The selection of land-grant colleges for conduct of regional agricultural programs furthermore signaled a major decision to encourage land redevelopment through individual farm owners. It foretold a shift in emphasis from public ownership of marginal lands toward educational processes to strengthen land use.

The policy thus established by the TVA board of working through existing state agencies in the field of agriculture carried over to all phases of the regional resource development program. It established the intergovernmental contract as a device to formalize resulting relationships. It set the stage for a partnership with agencies of the region which was to feature all TVA developmental processes.

### X

*In consultation with the land-grant colleges a basic decision on TVA fertilizer production was made.*

The early decision to work with the land-grant colleges was in effect a decision by TVA to share responsibility for subsequent actions taken in all phases of regional agricultural development. A basic question that arose almost immediately for joint decision turned on the issue of the best contribution of the Muscle Shoals chemical plants to regional agriculture.

The TVA Act implied that experiments conducted at the Muscle Shoals plants would be directed toward more economical production of nitrate fertilizers, looking to their greater availability for use on the farms. In consultation with the land-grant colleges, however, the TVA board decided that experiments in the production and use of phosphates offered opportunities superior to nitrates in meeting the soil needs of the region. Combined with this decision was the joint TVA-college decision that fertilizers should be integrated by the colleges into total farm management programs as a method of encouraging land redevelopment. The effect was to shift emphasis at Muscle Shoals from quantity pro-

duction to extensive and intensive chemical laboratory research; this involved the testing of a relatively untried fertilizer material in the colleges and on the farms. The decision greatly strengthened the position of the college experiment stations and projected the colleges into total farm planning on a theretofore unprecedented scale.

Nitrate production and some experimentation has continued through the years. The experimental and developmental work in the Valley, however, has emphasized high-analysis phosphatic fertilizers.

### XI

*A TVA decision regarding cooperative programs emphasized the primary responsibility of the states in many aspects of resource development.*

By 1940, TVA had entered into research and development agreements with scores of state agencies, establishing continuing relationships for the encouragement of community planning and recreation, and of research in minerals, farm equipment, food processing, forest products industries, and other activities of common interest to the states and TVA. The agreements were separate from and additional to the land-grant college agreements for testing and distribution of fertilizers. The volume of developmental relationships was curtailed during World War II but moved up to a new peak in the immediate postwar years.

These contractual arrangements between TVA and state agencies, renewed annually, could have become more or less permanent regional adjuncts to state resource activities, with some characteristics of federal grants-in-aid. However, the TVA board decided that a more appropriate developmental role with respect to state programs would be to stimulate initially, to give financial assistance temporarily, and then to withdraw from direct support. It was hoped and assumed that newly created state activities and state agencies that had proved their worth would obtain permanent support from state appropriations.

Under this board policy, announced in 1947, TVA research and development contracts, formerly on a continuing basis, have been terminated or scheduled for termination.

While some contracts for new activities have been negotiated, the total contract expenditure has been reduced from a million dollars in 1947 to considerably less than half that amount today.

During the same period, funds from state sources for resource programs in the region have more than doubled, and federal aid has increased by about one-third.

## XII

*A significant TVA decision with regard to regional planning was to reject the concept of a "planned" region in favor of the idea of a "planning" region.*

One of the most unique and controversial features of TVA is the powers given it under Sections 22 and 23 of the act for regional planning under presidential direction and with regional cooperation. In the economic emergency atmosphere of 1933 it was generally believed that a blueprint or master plan of the Valley's future was an appropriate and useful undertaking for a developmental agency. Until about 1938 the land planning activities of TVA were a principal concern, along with programs of river improvement and chemical operations.

In a series of actions beginning in 1935, however, the TVA board discarded preparation of a regional plan as a major TVA function. The alternative was to encourage the development of the planning function by scores of agencies and institutions in the region. TVA in effect rejected the idea of itself providing a regional plan and sought to find its place in a region where "planning is the democratic task of many institutions and countless individuals." Today there are no TVA activities carried on and solely justified under the Section 22 and 23 authorizations. The action by the TVA board to modify the planning directive in the act is important among other reasons because it produced or helped produce the cooperative arrangements under which state and local participation in developmental activities has been achieved. It is these arrangements which have characterized the developmental aspects of the regional program.

### *The Significance of Decisions*

THE preceding list, by no means a comprehensive or complete recording of major decisions, represents the ideas of the authors as to which, among the thousands of actions taken by one agency, constitute key decisions. Each of the twelve selected furnishes direction for the day-to-day tasks of management and provides guide lines useful in the solution of countless operational problems. Out of the twelve stem countless other choices to form for TVA the network of related decisions characteristic of all administration.

It is readily apparent that the actions are themselves interdependent. The ultimate policy with respect to land management has greater implications when taken in context with decisions on TVA relations to state agencies. The decisions which combine into a regional power policy are likewise closely associated with one another. In most cases the choice is a logical outgrowth of—but not dictated by—decisions that had gone before. Thus the establishment of collective bargaining is not listed separately as a key decision, but considered rather as the natural, and perhaps inevitable, result of the earlier decision to proceed with force account construction. In each of the twelve cases some alternative choice could at the time have been made; and the existence of alternatives is what has made the decision especially significant.

The alternatives to major TVA decisions should receive the careful attention of those analysts concerned with the rightness of actions taken. For example, the wisdom of TVA's land-grant college decision, and the question of whether concessions to special interests were made in order to secure immediate and effective action, have been discussed forcefully and cogently by Philip Selznick and others. A complete analysis of this problematical situation, however, would encompass also the alternatives available to TVA at the time decision was made. A recognition of alternatives always is required before a given decision can be evaluated correctly in terms of abstract principles. Students of administration who wish to evaluate the quality of decision-making in relation to interests which are compromised or harmonized necessarily must give a great

deal of attention to the alternatives which present themselves or which can be developed.

Nearly all of the major decisions have involved the question of defining an appropriate area of TVA activity within the limits authorized under the act. Alternative choices would result in expanding responsibilities, sharing them with other organizations, or withdrawing from some form of TVA program. The TVA decisions which in the light of available alternatives might be interpreted as expansionist could include those dealing with force account construction, private utility purchases, and regional power supply. Each of these three decisions, however, was seen as a step toward implementing the regional program broadly defined by the Congress and as a means of carrying into effect the general objectives set out in the TVA Act. Analysis of major actions, moreover, discloses a sharing of responsibilities to much greater degree than the act required or seemed to imply. The conclusion seems warranted that a principal effect of TVA administrative choices has been to strengthen relationships with other agencies of the region and to widen the scope of regional choice.

A transcendent policy of sharing responsibility for regional development as a key to major TVA decisions may be questioned by those who choose to regard the "authority approach" as tantamount to authoritarian. The series of decisions to work through and strengthen existing agencies has been viewed with particular suspicion by those who see in this policy a subtle device to insure political support for the agency. Actually, the policy, apart from original motivations, was a necessary antecedent to building regional responsibility and permitting an orderly TVA withdrawal from many resource development activities. Direct TVA operations—or operations through especially created state instruments—would have made the current orderly TVA withdrawal from certain resource activities much more difficult. It would not have en-

gendered lasting regional interest in and responsibility for resource development.

A review of key decisions and the recognition that alternatives exist pose the tantalizing question: What would TVA have been like today had the situations here noted been resolved differently? There is, of course, no answer to this question. Different policies could have set in motion a chain of reactions from within and outside the region, the full import of which could now be only a subject of conjecture.

Decisions faced by the TVA board today, and those in prospect tomorrow, are prefaced by the administrative actions of yesterday. The future may require further decision on such things as TVA relations to the federal civil service, TVA relations with power distributors, financing future expansion of power supply, and regional fertilizer objectives. A current problem, already noted, is the continuing transfer of developmental responsibilities from TVA to the states; past decisions have made this problem less formidable than it might otherwise have been.

The authors do not propose here to consider the issues now facing TVA, much less to suggest how they might be dealt with. They have in the present paper endeavored to illustrate the scope and content of past administrative decisions of the agency and to show by example that decision-making is a continuous process and that particular decisions are cumulative in their effect. Administrative decisions once made are apt not to be relegated to the past but actively to confront the present, to be there defended, modified, or otherwise taken into account in the requirements of current situations. The decisions listed here are very much a living force in TVA. They have had and are having an essential part in defining the program responsibilities of the agency and in determining its place not only in the federal governmental structure but also in the institutional pattern of a region.



# Birth of an Organization: The Economic Cooperation Administration

By HERBERT A. SIMON

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ON April 3, 1948, the United States Congress approved the Economic Cooperation Act. Some four months later, by the end of July, the Economic Cooperation Administration was a going concern, complete with organization chart, and had already accumulated a considerable body of experience in the administration of its foreign aid program. The following pages are concerned with some of the events that took place in the creation of the ECA and some of the lessons for organization theory that can be drawn from these events.

The account is not a "case" in the usual sense, much less an administrative history. In fact, it comes closer to being administrative autobiography than administrative history, since what I know of these events was gained largely from the vantage point of a position in the Organization and Management Division of the agency. While I have had some small opportunity to check the objectivity of my observations with persons who held positions in other parts of the agency at the same time, I am sure that they never saw exactly the same things that I saw, nor do I have any reason to believe that what I saw was the "reality." Indeed, one of the morals of the story I am about to tell is that in its formative stages the organization consisted largely of a series of pictures in the minds of different people. These several pictures were far from congruent with each other, and the process of organizing consisted in considerable measure in arriving at a single picture that was held more or less in common.<sup>1</sup>

<sup>1</sup> The principal published sources against which my observations have been checked are:

PCFA. President's Committee on Foreign Aid (Har-

## *First Steps*

A good deal of the history of the agency during its period of mushroom growth can be read in the phone directories that were issued at frequent intervals, at first almost daily. The first directory, issued about April 13, lists 15 names. Since it does not include clerical personnel, we may assume that the total number of persons who arrived on the scene in the first week and a half was about 30. By April 22, the list contained 138 names including clerical personnel; by July 26, it contained 741 names, and the period of rapid growth was over.

The growth process was clearly one of cell-splitting. Within a few days after his appointment as administrator, Paul Hoffman had appointed to the agency, in addition to two personal assistants, a director of operations, Wayne C. Taylor; an acting controller, soon replaced by E. L. Kohler as controller; and a director of administration, Donald C. Stone. He also brought in three economists to review for him the substantive programs that had been developed before the agency was formally

riman Committee). *European Recovery and American Aid*. November 7, 1947.

HSC. 80th Congress, Second Session. House Select Committee on Foreign Aid (Herter Committee). *Final Report*. H.R. 1845. May 1, 1948.

ECA1. Economic Cooperation Administration. *First Report to Congress*, for the Quarter Ended June 30, 1948.

ECA2. Economic Cooperation Administration. *Second Report to Congress*, for the Quarter Ended September 30, 1948.

These reports will be referred to by the initials indicated. The first two relate to the period prior to the enactment of the act, the second two to the first six months of ECA's existence.

created. The senior member of this group was Richard M. Bissell, who had served as executive secretary to the President's Committee on Foreign Aid.

At this stage in the proceedings, on the program side of the agency the cell-splitting process was very slow, on the side of the machinery of organization, very rapid. There are two reasons for this discrepancy. First, there was already in existence in the State Department an "interim aid" unit that was administering the earlier assistance funds granted to Austria, France, Greece, Italy, and Trieste, that kept the supply "pipeline" filled in the early organizing period, and that was soon absorbed as a Procurement Transactions unit in ECA.<sup>2</sup>

Second, in this stage questions of mechanics were much clearer than questions of substance. It was clear that the agency would need rooms, telephone service, and other housekeeping services, and that it would have to be prepared to hire large numbers of personnel. Even the press relations function was not overlooked. It was much less clear how the agency would go about performing its function of administering foreign aid.

By the middle of April the director of administration had appointed a budget director, an organization and methods director, a personnel director, and an office services director. By the third week in April 63 per cent of the personnel were in these units and another 13 per cent in the Controller's Office, leaving 24 per cent (not including the State Department group) for all of the activities associated with the substantive program. By July 26 the personnel in the program units had increased from one-quarter of the total staff of the Washington office to one-half.

In mid-April, ECA resembled nothing so much as a manufacturing concern without a factory. An office desk or a telephone could be obtained in a matter of hours. In the new, partially finished building the agency occupied, interior partitions were being erected with amazing rapidity. But whatever product was emerging was being produced by the State Department group, which was operating with a minimum of contact and almost no direction from the new agency.

<sup>2</sup> For a description of the interim aid organization, see HSC, pp. 758-63.

These observations are not intended critically. The course of events is completely understandable. Since there existed in Washington a clear conception of what an administrative agency looked like—that is to say, the skeleton of an abstract administrative agency—the framework could be erected. But since no conception existed, or at least no consensus, of ECA as an agency with a program to administer, the skeleton was not yet ready to be covered with flesh, blood, and nerves.

### *The Alternative Approaches*

How then, did the program of the ECA, and the organization to implement that program, emerge? ECA, like all organisms, had a prenatal history. In fact, as it turned out, it had a large number of claimants to parenthood—more than could be accommodated.

It is possible to identify at least six important approaches to the organization of ECA. To an important extent, the early administrative history of the agency can be written in terms of the rise and fall of these approaches and of the administrative units with which they were associated. Since they are not wholly mutually incompatible, and since no single one was clearly espoused by the statute creating ECA, the final structure that emerged made room for several of them. In the next paragraphs these six approaches are characterized.

*The Commodity-Screening Approach.* Considerable experience had been gained in the administration of foreign assistance through wartime aid programs, notably the FEA, and subsequently in the interim-aid programs. Here the chief human repositories of administrative memory were to be found in the export licensing unit in the Office of International Trade of the Commerce Department and in the interim-aid group in the State Department. In addition, there were in the Departments of Agriculture and Interior, among other places, a number of persons who had played important roles in these earlier programs.

The conception of foreign assistance inherited from this tradition was one of determining specific commodity needs of foreign countries and approving or disapproving individ-



ual shipments of specified quantities of commodities. The decisions involved were those needed for screening these individual transactions against program criteria—for example, the need of the country for the commodity to sustain its war effort or nutritional levels and the availability of commodities in scarce supply.<sup>3</sup> Such a screening process called for two kinds of specialized knowledge: knowledge of needs or requirements and knowledge of availabilities. The former suggested some combination of commodity and area specialization in the agency, the latter pointed primarily toward commodity specialization.

*The Balance of Trade Approach.* The enactment of the Marshall Plan legislation had been preceded by considerable research activity both in Europe and in the United States. This research had been concerned primarily with the question of determining the magnitude of Europe's needs for American assistance.

The Committee of European Economic Cooperation, in response to Secretary Marshall's original proposal, had drawn up such an estimate in the fall of 1947. Starting with estimates of the consumption requirements of the participating countries, the committee compared these with projected production levels, and arrived at estimates of the bill of goods that would have to be imported to maintain the proposed consumption levels, and then of the balance of payments picture that would result from the import program. The "dollar gap" thus arrived at provided a basis for the amount of American assistance requested. The CEEC report was reviewed and scaled down by a group of committees in this country. These revised estimates provided the basis for the ECA legislation and the subsequent appropriations.<sup>4</sup>

In this picture of the foreign assistance program, individual commodity purchases played a very subordinate role. Once the aggregate figure for aid to each country was arrived at, it was of little importance whether a particular import was financed with ECA dollars or with dollars from the export trade.

This approach clearly derives from eco-

nomics theory. The analysis of consumption needs and productive capacities follows the so-called "national income approach" that has had wide currency among professional economists in the last decade. The notion that the foreign assistance problem was one of making up a "dollar deficit" follows from the traditional balance of payments concept that has been central to international trade theory.

What both of these conceptions suggested from an organizational point of view, although in slightly variant forms, was the need for an agency that could arrive by economic analysis at over-all decisions on dollar amounts of foreign assistance to individual countries.

*The European Cooperation Approach.* Another set of organizational preconceptions was obtained by viewing the Marshall Plan as a means for bringing about a greater measure of international trade, economic cooperation, and rationalization of industry in Western Europe. This approach to the program was an essential element in the studies already mentioned and an integral part of State Department and congressional policy.<sup>5</sup> Its organizational implications were: first, that the initiative for programming should rest upon the European countries acting cooperatively; second, that our relations with them under the program should be multilateral rather than bilateral, and that these relations should be channeled primarily through the Paris rather than the Washington office of ECA.

*The Bilateral Pledge Approach.* Somewhat different from the idea that the central aim of the program was to foster European cooperation was the idea that assistance should be conditioned on bilateral pledges between the individual participating countries and the United States.<sup>6</sup> Since one element in the required agreement was the willingness of the participating country to engage in cooperative arrangements with the other countries, the two conceptions were certainly not in direct contradiction. Nevertheless, the bilateral agreements created the necessity for direct negotiation in cooperation with the State Department with individual countries, and, from an organizational point of view, weakened CEEC and

<sup>3</sup> A discussion of conceptions involved in commodity screening for export control will be found in HSC, pp. 638-43, 646-87.

<sup>4</sup> The estimating procedures of PCFA and HSC are based squarely on the balance of trade approach.

<sup>5</sup> HSC, pp. 21-56, 603-4; PCFA, pp. 4-6, 31-2.

<sup>6</sup> HSC, pp. 869-77; PCFA, pp. 108, 273-7; ECA1, Appendix I.

the Paris office of ECA as the primary channels of contact. The bilateral agreements also emphasized certain specifically American goals such as securing the continued availability of strategic materials.

*The Investment Bank Approach.* The American government had also had experience, through the Export-Import Bank, in granting loans to other countries for capital improvements. The Economic Cooperation Act specifically provided that, of the 5.3 billions in aid to be extended in the first year, 1 billion be in the form of loans, and the Export-Import Bank be used as the machinery through which these loans were to be handled. This led to the conception that, at least with respect to the loan portion of the program, the problem was to determine whether individual projects for plant construction or other capital improvements were economically sound in the sense of having a good prospect of earning a return on the investment. The Congress itself was ambiguous (and probably intentionally so) in stating the criteria for approval of loans. Both the earning power of the investment and the ability of the country to repay, from a balance of payments point of view, were to be considered.<sup>7</sup> The facts that the stated intention of Congress included the investment banking criteria, and perhaps more important that Mr. Taylor, the director of operations originally appointed by Mr. Hoffman, came to ECA from the Export-Import Bank, had important consequences for the organization of ECA during the first months.

*The Policy-Administration Approach.* Along with the extensive substantive planning that had been going on prior to the enactment of the law in April, thought had also been given, particularly in the Bureau of the Budget, to the way in which the program would be administered if it were enacted. Some of the broad issues were whether to put the activity in the State Department or to establish a new agency, and whether, if a new agency were established, it should be a corporation. These issues were decided by the Congress and not by the organizational planners, and we shall not consider them further here.

The Budget Bureau, however, had also con-

structed some tentative plans for the internal organization of the agency if one were created. Because the Budget Bureau did not have, and probably could not have had, a clear conception of the program, its plans shared many of the characteristics of the organization that developed early in April—great emphasis on machinery and little on production. If the name of the agency had been taken off the bureau's proposed organization chart, it would have been extremely difficult to determine whether the organization was to engage in foreign assistance, salt mining, or the practice of law. Provision was made for a bureau of policy coordination, a program bureau, a bureau of operations, and a controller. The first would be concerned with the broader aspects of European recovery, the second with the review of commodities lists, the third with actual procurement, and the fourth with documentation and accounting for funds.

The idea that one should deal with a complex problem—any problem—by first making broad decisions, then implementing these with more specific decisions, and then implementing these in turn is a familiar one in the literature of administration—and in books on "how to think." This plan mistook an analytic description of the governmental process for a list of the administrative units needed in carrying out a specific governmental program.

As a matter of fact certain elements that later emerged in the ECA organization can be identified with the units proposed by the Budget Bureau. But except in the case of the controller, this was a matter of coincidence and not planning, and as the organization was modified by gradual adaptation, the unit corresponding to policy coordination absorbed more and more of the functions of the program bureaus, and the program bureaus absorbed completely the bureau of operations. The reasons will perhaps become clear in the sequel.

#### *The Development of Program Organization*

HAVING surveyed some of the principal conceptions of the foreign assistance program that could be identified in Washington in April of 1948, we are ready to resume our story of the actual process of organization. As the

<sup>7</sup> HSC, pp. 634-6, 718-9.

process of cell division continued, each of the program conceptions we have described found a concrete embodiment in one or more of the emerging organizational units.

The fate that each unit suffered tended to depend upon two things. Its fate depended, first, upon how simply and clearly its underlying conception of the program could actually be implemented. Each program conception provided a basis for an administrative organization only as it was further elaborated and spelled out in terms of concrete administrative activities, and as it led to a workable allocation of decision-making responsibilities. In the case of ECA, for example, a program conception could not be regarded as workable unless it could be elaborated into a decision-making process for allocating five billion dollars among the Western European nations and for translating these allocations into authorizations for the purchase of specific goods and services. Not all the approaches were capable of being implemented in this sense—several of them were simply not workable.

A unit's fate depended, second, on the natural alliances it found with powerful Washington agencies surrounding the ECA that shared its conception of the agency program.<sup>8</sup> To the extent that more than one program conception could be made workable, in the sense just described, such alliances might decide the outcome as between competing approaches.

What we are about to describe, then, is a power struggle in which ideas—in particular the conception of the program—played a major role both as *weapons* and as *motives* for empire-building. The conceptions were weapons because they could be used by the particular administrative units that represented them to advance their claims to a larger place in the program. They were motives for empire-building because the administrators of these units saw the broadening of the functions of their units as the principal means for implementing their conceptions of the program. I do not believe that this kind of power struggle was a peculiarity of ECA, but rather that a deeper analysis of the phenomenon of empire building in government and in business would show

that these elements are always present and very often are of central importance. Because of the fluidity of the organization it is easier to identify them in the early history of ECA than in an agency that has already gone through a process of "natural selection."

The *commodity screening* view of ECA's program prevailed in the Procurement Transactions Division (the new name of the State Department interim aid group) and in two program units that were set up on a commodity basis: the Foods Division and the Industry Division. The Foods Division was largely under Agriculture Department influence, and all three of the units had close working relations with the Office of International Trade in the Department of Commerce. Commodity screening was also the prevalent conception in the ECA Controller's Office.

The *origins* of the commodity screening approach have been traced back to the wartime aid programs. The *workability* of the conception rested largely on several provisions of the act itself. One of these required that the aid should not impair the fulfillment of vital needs of the American people. Crude oil was to be purchased, as far as possible, outside the United States; no meat was to be purchased in this country except horsemeat. Other clauses for the protection of the American economy related to wheat flour, farm machinery, fertilizers, agricultural commodities in ample supply, and surplus war assets. Private trade channels were to be used as far as possible in the procurement of supplies, and at least half the goods were to be shipped in American bottoms. Finally, it was required that commodities not be purchased outside the United States at prices higher (with certain adjustments) than the American price.

The effect of all these provisions was to require scrutiny of individual transactions. Within ECA, these clauses were administered largely by the Procurement Transactions group and (particularly the price provisions) by the Controller's Office. Outside ECA, the Commerce, Agriculture, and Interior Departments were vitally concerned with these same provisions.

Paradoxically, these provisions also created a basic weakness in the commodity screening approach. The crucial decision in screening

<sup>8</sup> HSC, pp. 698-730, 755-78; ECA1, pp. 42-5.

scarce commodities was not whether their purchase was financed from ECA funds, but whether they were to be exported from the United States. Hence, quotas of total shipments of each commodity had to be established, and these quotas had to be enforced through export licenses rather than through the approval of financing. As a consequence, the main responsibility had to devolve upon the Commerce and Agriculture Departments rather than upon ECA.<sup>9</sup>

The same weakness undermined the more naive, but strongly held, conception that the purpose of screening individual transactions was to conserve the American taxpayer's money by making sure that the European nations were using the funds only for "needed" items. Since 50 per cent of total European export dollars was being earned in the course of regular international trade and only 50 per cent was provided by ECA, if a transaction were disapproved the particular item in question could be procured instead with earned dollars, and another item substituted on the ECA list. However desirable the conservation of American funds, this goal could not be secured by decisions on individual transactions.

In the end, then, the ECA organization had to adapt itself to the facts that export licensing, not procurement transaction screening, was the effective means of control over individual transactions, and that screening could not be employed effectively to control the over-all European import program. The Controller's Office, with its auditing responsibilities and interest in the pricing provision, remained as the only center of power for the commodity screening approach. This approach gradually disappeared from the conceptions of the programming divisions.

The *balance of trade* conception found its base—at first a very unstable base—in the economists who began to be brought into the agency, largely by Bissell and largely on a consulting basis. Mr. Hoffman and most of the senior personnel immediately associated with him were preoccupied in the early days with external problems. They had to work out relations with the State Department and negotiate the bilateral agreements; they had to de-

velop instructions for the Paris office that was just coming into existence; and they had to prepare for the appropriations hearings on the Hill. (The appropriation bill was approved only on June 28.)

This left the task of developing the programming procedures and of reviewing the second- and third-quarter programs of foreign assistance to the economists. And indeed, as nearly as I could observe, the actual program revision was the work of a few very able and energetic, very young, and very inconspicuous men who had participated in the interdepartmental committees reviewing the original CEEC proposal and who were now operating under Mr. Bissell. The exact size or identity of this group was not easy to determine, but it could not have consisted of more than a half-dozen professionals.

The *European cooperation* approach was easier to describe than to implement.<sup>10</sup> In essence it required the strengthening of the organization through which this cooperation was to be planned by the European nations themselves—the OEEC, which was the successor to CEEC. Because the Paris office was clearly the appropriate unit for dealing with OEEC, and because the cooperation goals had little relevance for the day-to-day tasks of programming and financing assistance, this approach never had a strong organizational embodiment in the Washington office. The Fiscal and Trade Policy Division that later emerged had most concern with it, but the center of gravity was in its Paris counterpart.

The cooperation approach had, however, a negative implication that influenced thinking about the Washington office. There was great temptation to establish "country desks" to specialize in the problems of the individual countries. Indeed, area units of this kind were contemplated in the Budget Bureau organization plan. They were to be located in the program bureau, which was to be a replica of the FEA organization—with an "areas" division and a "commodities" division. This conception was vulnerable to the attack, however, that it would foster bilateral relations with the individual countries rather than cooperation among them. These objections prevented

<sup>9</sup> PCFA, p. 115; HSC, pp. 672-86; ECA1, pp. 14-18, 44.

<sup>10</sup> ECA1, pp. 6-13, 46.



country desks from sprouting as rapidly as they might have in the agency. They did not, in the long run, altogether prevent them from developing in subunits where specialized knowledge of the individual countries was needed for programming and arriving at balance of trade estimates.

As already mentioned, *bilateral agreements* with the cooperating nations were required by the act. Negotiation of the pledges was a high-level matter involving State Department leadership. In the ECA Washington office, only the Office of the General Counsel was deeply involved. Once the pledges had been signed, their implementation of necessity devolved largely on the Paris office and the ECA Special Missions in the cooperating countries. Hence the agreements never exerted an important influence upon the organization of the Washington office. (Again the Fiscal and Trade Policy Division, operating in close liaison with the Treasury Department, is a partial and minor exception.)

The *investment bank* approach found its main internal support in Mr. Taylor, and its external support in the Export-Import Bank. The conception was applicable, if at all, only to a small part of the agency's total program. Mr. Taylor's unit soon became isolated from the flow of day-to-day transactions in the agency and gradually withered on the vine. The rapid decline of this unit was easily visible in terms of size of staff, changes in titles (Mr. Taylor became "the assistant to the administrator"), and actual office locations.

The unit early established its claim as the loan approving authority in the agency, but a growing conflict developed between the investment criteria and the balance of payments criteria for loans. A crisis in the fall of 1948, resulting from the fact that a large proportion of the loan funds were still uncommitted, gave convincing evidence of the unworkability of the investment bank approach, and led to a resolution of the conflict in favor of the balance of trade approach. Since I was not an eyewitness to these events, I cannot describe them in detail.

What this all adds up to is that during the first two or even three months the entire operating portion of ECA consisted of three groups. The first, comprised of Mr. Hoffman

and a few high-level aides, conducted the "international relations" of the agency, so to speak, with the Congress, with the State Department, with other federal departments, and with the participating nations. During this period they negotiated the bilateral agreements and saw the appropriation bill through the Congress. A second group, in Mr. Bissell's office, worked up a quarterly aid program and shaped up the programming procedures that were later accepted. A third group, inherited from the State Department, actually processed the requests for aid and kept the pipelines full. These three groups, together with their clerical support, could not have consisted of more than 75 persons, and probably fewer. During this period the rest of the agency was not so much "doing" as getting ready to do.

#### *The Organization and Management Division*

WE HAVE been describing an organization that grew and assumed a reasonably coherent form without apparently ever having been planned. I think this is a reasonable description of what happened, or at least a first approximation to such a description. What was the Organization and Management Division doing during this period to justify its existence?

During the early days it was extremely difficult to get more than a very fragmentary picture of what was going on or who was doing what. The operating personnel, each of whom conceived that he had a job to do and little time in which to get it done, did not want to spend their time talking to procedures specialists or reading organizational announcements. The O & M Division made a valiant effort to find out what the procedures actually were, and to record them, and I think they partly succeeded. If the division had any influence on the form that the organization took, it was by means of techniques that are not usually described in handbooks on methods work.

A small staff brought into the division early in April for the purpose of making organizational plans spent two feverish weeks trying to arrive at their own conceptions of the foreign assistance program and the organizational implications of those conceptions. For better or worse, the two conceptions that found greatest

acceptance in the division were the balance of trade approach and the European cooperation approach.

The first important attempt, made in the third week of April, to influence the organization in the direction of implementing these notions consisted of a mimeographed memorandum—"Basic Principles of ECA Organization"—circulated in draft form by the division on April 30. This memorandum largely ignored the proposed Budget Bureau plan, emphasized the balance of trade approach, and pointed to the weaknesses in the commodity screening and investment bank approaches. It stressed the need for strengthening the Paris office in order to foster multilateral rather than bilateral negotiations and warned against the dangers of "country desks."

No attempt was made to secure formal approval of the principles embodied in the memorandum, thus avoiding a tedious and probably interminable process of obtaining agreement. The memorandum was formulated as a set of underlying assumptions and their organizational implications, rather than as an organizational blueprint or a compendium of functional descriptions.

The idea behind the document was that a relatively brief draft memorandum of some two thousand words *might* gain some circulation in the agency, that it *might* actually be read by a few influential people, and that a few of the central concepts *might* be absorbed and influence future thinking about organization. I found some evidence in later contacts around the agency that the document did not pass unobserved, but it would be impossible to assess precisely what influence it had.

At about the same time, the O & M Division found that the Personnel Division was depending upon it to provide descriptions of positions so that jobs could be classified and appointments authorized in the various units. This put the O & M Division in a highly strategic position to influence the rate of growth of the units. Until a unit could describe its functions to O & M and get some measure of agreement as to the role it was to play in the structure, it found itself up against an impenetrable wall of red tape (or perhaps "red feathers" would be a better metaphor) in attempting to secure approval of its appointments. To

be sure, personnel could be retained by a determined unit chief on a consulting basis, but the lack of a table of organization made a unit's position very uncertain and exercised a definite check on expansion. This procedure made possible in the early weeks an effective delaying action against the establishment of country desks and the multiplication of statistical units.

Undoubtedly the unit that fared worst in the situation was that under the director of operations, since the O & M analysts found themselves unable to reconcile Mr. Taylor's conception of his task with the over-all pattern that was emerging in the agency. While I think the fate of that unit would have been the same in the long run in any event, the halt in its expansion during these critical weeks gave Mr. Bissell and his assistants time to organize their activities into some kind of coherent pattern.

A happy accident gave the O & M Division its third tool. In the appropriations hearings Mr. Hoffman was asked by Congressman Taber to state the maximum number of persons he would need in the Washington office of the agency. There was very little but air from which to draw the number, but Mr. Hoffman drew 600. I have always felt, although I know of no solid way of defending the figure, that this was a very good number. Good or bad, having stated the number, Mr. Hoffman had to live with it. He also had in his hands a means for countering the inevitable requests of the Washington units for more and still more personnel as the cell splitting process went on.

When, early in June, the personnel "needs" stated by the heads of individual units were added up, the total was found to exceed 600 by a considerable margin and a process of personnel allocation had to be undertaken. At this point the deputy administrator turned to the O & M Division for help in arriving at a balanced table of organization; a series of hearings were held with the heads of individual units to determine personnel ceilings; and staff from the O & M Division participated in those hearings.

Of course in the end the ceiling had to bulge. By the end of July, the Washington staff exceeded 700. But the agency as it finally evolved was certainly spectacularly smaller than any federal agency carrying out a task of compar-



able magnitude, and the sudden reduction in its rate of growth by the end of July can only be attributed to the ceilings.

On July 26 the first official organization chart of the Washington office of the ECA was reproduced. The chart did not create new organizational arrangements, but ratified and gave solidity to the patterns that had tentatively emerged. From the beginning of August on, it provided a set of historical boundaries in terms of which new claims for territory had to be argued.

It should be reasonably clear from the recital of these events that the views of the O & M Division were by no means the predominant influence on the form that the ECA organization finally took. That final form embodied in large part the views expressed in the "Basic Principles" memorandum circulated on April 30, but the relationship was in only small part causal. The memorandum represented less an influence on organization than a rather accurate forecast of the mold into which the organization would be forced by the requirements of its tasks and goals—the conditions of "workability."

#### *The Aftermath*

**A**n organization chart reproduced in ECA's *Second Report to Congress* depicts the structure of the Washington office as it existed on December 1, 1948.<sup>11</sup> That chart shows the focus of program activities to lie in the office of the assistant deputy administrator for program, Mr. Bissell. Under him, the balance of trade approach was implemented by the Program Coordination Division, assisted by the Foods, Industry, and Fiscal and Trade Policy Divisions. Provisions of the law unrelated to the central programming functions were being handled by China, Korea, Strategic Materials, and Transportation Divisions and the Office of Labor Advisers. The Office of the Controller was performing auditing functions, and a Statistics and Reports Division was "auditing" the effect of the program on the European economy.

The other important boxes on the chart correspond to the usual housekeeping units—administrative services, personnel, O & M, budget, security, and information. Mr. Taylor

had become assistant to the administrator, with a small staff. The Procurement Transactions Division had dwindled to a small Program Methods Control Staff attached to Mr. Bissell's office. A total of 770 persons was employed in the Washington office, 290 in the Paris office, and 1,127 in the country missions.

The initial July 26 organization chart differed in only minor details from the chart of December 1. In less than four months, during which it was already in operation, the agency had attained virtually its final form. That form was one dictated by and predictable from: (1) the relative political support for differing conceptions of the agency task; (2) the identifications and conceptions of the other government agencies surrounding ECA; and (3) the appropriateness of the structure for implementing that conception of the agency's task which prevailed.

But while the form was predictable it was certainly not planned. The processes of cell multiplication and the power struggles within and around the agency were the main processes through which this rapid adaptation and evolution of an effective organization took place.

What this suggests is an exceedingly close analogy between the development the agency went through in attaining an effective organization and the processes an individual goes through in solving a complex problem. The world in all its complexity cannot be grasped in a single picture. Problem-solving involves the invention and testing of a whole series of simplified approximations, each of which provides a partial representation of the total complex problem. The problem is solved when a "picture" of the situation has been evolved which, though still a simplification of the real situation, is sufficiently realistic and sufficiently comprehensive to provide a reasonable approximation.

Each of the "approaches" I have described was such a simplified picture of the complex governmental problem with which ECA had to cope. The organization that evolved represented an oversimplification of the task—an overemphasis of certain of its aspects, a relative neglect of others. But it represented an oversimplification that did encompass the central features of the task and the requisite political emphases, and did so relatively effectively.

<sup>11</sup> ECA2, p. 85; also, ECA1, pp. 37-42.

In this sense, the organization structure of ECA can be regarded as a reflection of the way in which the foreign assistance problem was structured by human minds endeavoring to grapple with its complexity. Each organizational unit can be roughly equated with some identifiable element in one of the competing conceptualizations of the problem. The Program Coordination Division and the other programming divisions under Mr. Bissell can be equated with the parts of the balance of trade conception. The gradually changing functions of the Foods and Industry Divisions, and their eventual subordination to program coordination and export licensing, can be equated with the gradual victory of balance of trade over commodity screening. The disappearance of Procurement Transactions was a disappearance of the policy-administration conception. No loan division emerged from Mr. Taylor's efforts because the investment bank concept could not be translated into a workable plan of organization. The examples can be multiplied, and several others have been cited earlier.

The proposition that an organization changes with changes in its task and its environment is not new. It has been verified in many instances—for example in the fine analysis by Gaus and Wolcott of the history of the United States Department of Agriculture. When we see these processes in the large, however, we see them only in equilibrium. They are seemingly inexorable adaptations of an organization to its political and technological environment.

When we observe these same processes in the short run, and particularly at a moment of large and rapid shift, we recognize that environmental forces mold organizations through the mediation of human minds. The process is a learning process in which growing insights and successive restructurings of the problem as it appears to the humans dealing with it reflect themselves in the structural elements of the organization itself.

This view has important implications for the process of governmental reorganization. First, it adds weight to the proposition, if more weight is needed, that reorganization can seldom affect efficiency without affecting program goals. When we change the organization, we change the picture that the people in it have of the concrete tasks to be done and the concrete goals to be achieved—their concept of the program. When we change the concept of the program we change the relative emphasis that the various parts of the complex whole will receive, we alter allocations of resources and relative priorities among goals.

The first Hoover Commission insisted on denying this proposition. It asserted that government could be reorganized to achieve efficiency without affecting the goals achieved. The political pressures evoked by the submission of the reorganization proposals to Congress show that this assertion was far from universally accepted. It is to be hoped that the new Hoover Commission will have a more sophisticated understanding of the consequences of reorganization.

Second, the view set forth here casts some light, perhaps, on the significance of formal organization. Plans of organization affect behavior in at least two ways. First, when they are officially approved, they draw force from the motivations of legitimacy—employees feel that they *ought* to observe the plans because they accept the system of authority that approved them. Second, we have seen here that plans may influence behavior because they provide employees with a conceptual scheme of the agency's program, a scheme that serves as a framework for decision and action. If the scheme is "workable"—if it translates the agency's complex problem into terms that are clear and understandable to the persons who have to solve it, if it leads to a relatively simple division of activities and is helpful as a guide to decision—then its workability will be a powerful force towards its acceptance.

# Preparing the Michigan State Budget

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## I

**I**N LAW, Michigan has had an executive budget system for over a third of a century.<sup>1</sup> In fact, the budget office became something more than a one-man (and occasionally part-time) job only after Harold D. Smith assumed the directorship in 1937; and the lack of effective political leadership on the part of budget directors and Governors during the war years that followed Mr. Smith's departure for Washington brought about a situation in 1946 in which the deputy budget director and one chief examiner shared responsibility for over a hundred agencies. Against this background, accomplishments in recent years in making the transition to a modern "performance" budget appear impressive.

The modern period in Michigan's executive budget system began late in 1946 with the appointment of John A. Perkins as director of the Budget Department.<sup>2</sup> The fact that Mr. Perkins and his successor, Mr. Landers, the incumbent director of the Budget Division, were young professional administrators with both an academic interest<sup>3</sup> and some experience in

public budgeting was doubtless an important factor in the rapid improvement in budget practices. In addition, the immediate administrative superior to the director during the past four and one-half years was, during most of the preceding two decades, a university professor of public administration with an active interest in public budgeting. The sympathetic attitude of the present Governor and his immediate predecessor has been a factor of considerable importance. Also, several leading members of the Legislature were sympathetic to Mr. Perkins' efforts to build up the budget agency in 1947 and 1948.

Such personal factors, however, provide only a partial explanation of recent changes; organizational relationships are important, too. In August, 1948, Michigan integrated most of her administrative services (the notable exception was personnel) in a Department of Administration, and the Budget Department became the Budget Division in the new department. The office of budget director was abolished, and its statutory powers and duties were transferred to the controller who headed the Department of Administration. That official delegated much of the operational authority for budgeting to the director of the Budget Division, and although the director no longer reported directly to the Governor, the compensating advantages of the new organization were many. Close contacts with other divisions, such as Accounting, Building, and Purchasing, were facilitated. It was also possible to take the job of director of the Budget Division out of politics and put it under civil service, with the controller serving as buffer and liaison between the Governor and division

<sup>1</sup> Michigan Budget Commission of Inquiry, *Report, 1918* (Fort Wayne, Indiana: 1918). Pertinent legislation may be found in State of Michigan *P.A.* 1919, No. 98; 1921, No. 2; 1933, No. 187; 1941, No. 136; 1943, No. 247; 1945, No. 30, 336 sec. 1; and 1948 (extra session), No. 51 (May 24, 1948), creating the Department of Administration.

<sup>2</sup> John A. Perkins and Frank M. Landers, "Michigan Seeks Better Management," 21 *State Government* 184-88, 196-97 (September, 1948); and John A. Perkins, "State Management Limited," 39 *National Municipal Review* 72-78 (February, 1950).

<sup>3</sup> Both did graduate work at the University of Michigan. Perkins held a Ph.D. in political science from that institution at the time of his appointment as budget director. Landers holds an M.A. degree in public administration. He served in a number of line agencies (chiefly revenue and welfare) and in the U. S. Bureau of the Budget before joining the staff of the Michigan Budget

Department in 1946. Since then, he has been, successively, chief of research, deputy director, and (since 1949) director.

chiefs of the Department of Administration. The role of the Governor, quite properly, is essentially political, but with administrative implications of great significance; the role of the director of the Budget Division is essentially administrative and technical, but with political implications of great significance. The responsibility for these political implications, however, lies not with the director, but with the controller and the Governor.

A reaction to the establishment of the Department of Administration came a year later when the Legislature, by concurrent resolution, established a Joint Committee on Audit and Appropriation Investigation which was empowered to appoint a legislative comptroller. The theory underlying this action was disarmingly simple and direct: if the Legislature was no longer to share the services of the Budget Division, and if the Governor was to have a controller to facilitate his control over fiscal policy and programming, then the Legislature needed its own comptroller to check upon the Governor's controller. In the words of the resolution, "the legislature should have available an independent check on the budget estimates on revenues and on expenditures made from appropriations and an independent source of information prior to consideration of the budget."

The legislative comptroller was directed to make at least once in each fiscal year a post-audit of the accounts, records, transactions, and affairs of any department or agency selected by the Joint Committee on Audit and Appropriation Investigation; to undertake periodic audits, "or checks," of all general accounts and financial records maintained by the director of the Accounting Division, the auditor general, the state treasurer, and any other officer charged by law with any duties relating to accounting; to make such special audits and investigations as might be authorized by the Joint Committee; and periodically to audit the revenue collections of all kinds accruing to the state to ascertain whether the revenue due the state was being collected "properly and completely." For the accomplishment of these many duties, the Legislature appropriated \$15,000 for the fiscal year and the Joint Committee appointed a staff of two persons—a technician to function as the legislative comptrol-

ler and a secretary-stenographer to serve as his assistant. Of necessity, the legislative comptroller has been forced to rely upon the staff work performed by the Department of Administration and the Auditor General's Department. In his task force report to the Michigan "Little Hoover Commission" A. E. Buck commented:

The present and only incumbent so far of the office of legislative comptroller was formerly on the examining staff of the budget department, and later deputy director and acting director of the budget division of the department of administration. With only one clerical assistant on his staff as legislative comptroller (he was of the opinion, when interviewed, that no more staff was required), he has found it physically impossible to comply with the duties of his office as outlined in the concurrent resolution. He has, therefore, confined his attention mainly to an examination of the expenditure estimates appearing in the governor's budget, passing his findings on principally to the chairman of the senate finance and appropriations committee. His sources of information for independent judgment and critical appraisal are limited largely by his own endeavors, consequently in a comparatively short time he has grown stale on the salient facts of a rapidly expanding state administration.<sup>4</sup>

Another recent action affecting budgeting should be mentioned. In April, 1951, the voters approved an amendment to the State Constitution providing for annual legislative sessions and, therefore, an annual budget cycle. This amendment recognized a situation that had existed in practice since 1943; and annual budget sessions had practically become mandatory with the adoption in 1946 of a sales tax diversion amendment to the Constitution which required the Legislature to make annual appropriations to units of local government.

Two other elements of the milieu in which Michigan budgeting takes place should be noted, although neither bears so directly upon budget preparation as upon other phases of the budgetary process. First, Michigan is a typical state with a plural executive. The Governor shares the executive power with seven other elective officials: lieutenant governor, secretary of state, state treasurer, attorney general, auditor general, superintendent of public instruc-

<sup>4</sup> Staff Report to the Michigan Joint Legislative Committee on the Reorganization of State Government, *Fiscal Policy Administration* (Report No. 10, January, 1951), p. 13.



tion, and highway commissioner. The lieutenant governor's administrative duties are normally limited to membership on the State Administrative Board, which is composed of these eight elected officials with the Governor as chairman. Second, during the past four and one-half years the Governor has belonged to one major party while the other party has controlled the Legislature and a majority of the elective executive officials have belonged to it. At present, all members of the State Administrative Board except the Governor are leaders in the party which constitutes his official opposition.

## II

MICHIGAN's current fiscal crisis has been used as the excuse for personnel cuts in the Budget Division as in other state agencies, and at the present time there are only twenty-three positions in the division.<sup>5</sup> All are now under the state civil service system, although the director, until recently, was unclassified. The division is organized into four sections, three of which are responsible for specific functional areas. The largest is the budget examination section; it includes a chief examiner, who has been associated with the budget agency since it was created in 1919, seven budget examiners, and a secretary. The smallest is the budget execution section, whose three members are classified as "budget technicians." The research and budget preparation section is headed by a budget analyst and has three other professional staff members. This section is divided into research and budget preparation subsections, but they function pretty much as a team according to the work load and other necessities of the moment. The same comment applies with almost equal force to the division as a whole. The so-called administration section consists

of a personal secretary to the director and a pool of five typists and stenographers who provide office services for the three functional sections.

Within the Department of Administration, the Budget Division is the smallest of seven divisions, but the importance of its work and close working relationships with the head of the department have assured it coordinate status with the other divisions. This is true in spite of the fact that the director of the Accounting Division—a much larger division—has also been serving as deputy controller as a result of the unwillingness of the Legislature to appropriate funds to make it possible to fill the deputy controllership with a full-time person. Much of the controller's time and interest is necessarily preempted by his responsibilities as principal fiscal adviser to the Governor, his role as secretary to the State Administrative Board, and the tasks of representing both the Governor and his department before the Legislature and with other state agencies, yet this heavy load of duties has not resulted in any serious slighting of the work of the Budget Division or lack of access to the controller by its director. Thus far the division has been fortunate in working under the direction of controllers who have had a special interest in and sympathy with budgetary problems.

The major activities of the Budget Division may be briefly described. The director is responsible for and intimately associated with everything done by the division. Although budget examiners must necessarily assume a great deal of individual initiative and responsibility, much of the coordination of their work comes through personal supervision by the director. So far as possible, each examiner is assigned a group of agencies whose work falls in closely related fields. Thus, the chief examiner is responsible for the institutions carrying out the state's mental health program; another examiner has the Departments of Conservation and Agriculture and related agencies; a third has general government, corrections, and the major social welfare agencies. Each examiner is responsible for a number of agency budgets of varying size and complexity. A description of the role of these examiners in preparing the budget constitutes the principal part of this paper.

<sup>5</sup> For an analysis of the anomaly of the fiscal crisis, see Denzel C. Cline, *Pay the Piper* (Michigan State College, Governmental Research Bureau, Governmental Service Publication Series No. 1, 1953). The House Ways and Means Committee cut the 1954 appropriation for the Budget Division so drastically that the Governor was reported to have threatened to riddle the general government appropriation act with line item vetoes in retaliation. He abandoned this position and approved the bill late in June, 1953, only after the Republican majority of the State Administrative Board promised to approve transfers of enough funds to maintain the division at the existing level of operations.

The research and budget preparation section is concerned with research broadly defined to encompass all aspects of the budgetary process, whether carried on within the division or in the agencies which constitute its clientele. This is necessarily a continuing operation. This section prepares the revenue estimates, which constitute a major item in the Governor's budget message, and the summary budget document, discussed below. It also undertakes general research and statistical studies for the controller and the Governor, and is the only executive research unit available for this type of work. Other activities include preparation of charts and graphs which accompany the text of the Governor's budget message and are interspersed throughout the volumes of budget detail; communications control over the forms and other materials which flow, as a matter of routine, between the division and the other states agencies; and completion of the budget document forms and assembly of the budget document for transmission to the printer prior to presentation by the Governor to the Legislature.

The budget execution section performs three principal functions. It receives, collates, and distributes to the appropriate examiners the monthly budgetary control reports prepared by the agencies to summarize the results of their day-to-day activities as these are reflected in fiscal coordinates. It prepares for transmission by the controller to the Governor and Legislature a quarterly report on trends in expenditures and revenue collections. It receives annual allotment requests and periodic requests for allotment adjustments from state agencies and makes recommendations (which are almost invariably followed) to the State Administrative Board, whose finance and claims committee has the power to approve such requests and meets biweekly to consider them. Work orders relating to capital outlays are similarly processed. The execution section does not carry on preaudit as such; that is a function of the Accounting Division.

### III

LUTHER GULICK in an early, well-known theoretical statement suggested four bases of organization. Later writers have suggested others,

of which time is perhaps the most common. The factor of time certainly conditions both the organization and the functioning of budget agencies, and particularly budget preparation. However much budget estimates based on work programming are a long-term goal toward which the Budget Division works with other state agencies, careful programming of the various steps involved in budget preparation in the division is required if statutory deadlines are to be met. Working as it must in an economy of scarcity, the division must distribute work load as evenly as possible among limited personnel working within a short and largely inflexible time span. The Budget Division does many things, but most observers will judge it on the basis of the "book" which it produces annually.

Although budgeting in a sense is a continuous process without specific beginning and ending points, it is largely encompassed within an annual cycle, and the budget document itself is produced within a six-month period. The Governor must submit the budget document to the Legislature by the middle of January and the initial steps in preparing it are undertaken in June. The month of June satisfies the criteria which have been suggested by a recent writer on budget preparation. It is a month in which the work load of the Budget Division is comparatively light. It is a month which leaves time enough for the execution of the subsequent stages of the budget calendar, and gives the agencies sufficient advance notice of time schedule, work load, and procedures. It is close enough to the presentation of the budget forms to the agencies in August so that the preliminary discussions do not lose their effect.<sup>6</sup> The tentative calendar is, of course, prepared earlier, usually in May.

Although dates vary somewhat from year to year, the calendar for producing the budget for the fiscal year 1953-54 is typical.

#### *Tentative Calendar for 1953-54 Budget*

(Legislative session begins January 14, 1953. Latest date for submitting budget, January 23, 1953.)

<sup>6</sup> Felix Joyner and John P. Stanley, "Budget Preparation in Kentucky: First Step in the Budget Calendar," 24 *State Government* 252 (October, 1951). Cf. Felix Joyner, "Budget Preparation in Kentucky," 25 *State Government* 128, 273 (June, December, 1952).



## PREPARING THE MICHIGAN BUDGET

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June, 1952

Revision of agency budget request forms and agency revenue estimate forms.

July 1-15

Budget request and revenue estimate forms assembled and mailed to agencies.

Final draft and reproduction of instructions.

Preparation and distribution to agencies of covering budget memorandums to accompany instructions, budget request forms, and revenue estimate forms.

July 15-Aug. 31

Execution of budget request and revenue estimate forms by agencies.

Preliminary layout of charts and graphs to accompany the budget message.

Sept. 3

Deadline for return of forms by agencies.

Sept. 15-Oct. 30

Hearings and review of agency requests by examiners.

Tentative recommendations by examiners.

Nov. 1

Preliminary review of revenue estimates.

Deadline for completion of tentative recommendations by examiners.

Nov. 30

Final hearings and policy decisions.

Final appropriation recommendations.

Final revenue estimates.

Dec. 12

Preparation of budget detail completed.

Dec. 15-31

Examiner review of copy for printer.

Budget summary schedules completed.

All material for budget document to printer.

January 9, 1953

Final draft of Governor's message.

January 19

Budget presented to Legislature.

It will be readily apparent from the discussion below that this calendar is a somewhat flexible guide to action which indicates the general sequence of major phases of the work. Certain phases of most of the major operations overlap, and the calendar might be described, in mathematical terms, as a group of sets of

simultaneous equations rather than a series of linear equations. Nevertheless, the calendar is useful to the staff in indicating where major emphasis should be placed at various periods in the budget process.

The revision of forms and drafting of instructions are initially the responsibility of the research and budget preparation (RBP) section, which cumulates a file of suggested changes throughout the year. Some suggestions come from the agencies, some from the examiners, and many, of course, from the section's own staff. This is essentially a pragmatic process that reflects the fruits of experience with the forms. The format of the forms is now largely standardized to fit into, among other things, the reproduction process and binding needs of the assembled budget document. This document now consists of four separate volumes: the relatively brief (less than seventy pages) summary Budget for the Fiscal Year Ending June 30, which is frequently referred to as the "official" budget because it is the only one required by statute; Volumes I and II of the Detail of State Operations and Local Benefits Budget; and the Detail of Capital Outlay Budget. The three detailed volumes contain the statements and justifications necessary for effective review on the part of the Budget Division, the controller, the Governor, and the Legislature, and such specialized publics as are interested. For the 1953-54 budget they totaled 840 pages sized 11" x 17".

The division is now considering the feasibility of combining the prime essentials of this material in a single volume. Such a step would involve a wholesale revision of the content and format of the request and estimate forms. The division is also currently considering the advisability of drafting and distributing each year a completely new set of instructions to accompany the agency budget request forms. Do agency budget officers tire of reading "the same old stuff" each year in order to ascertain the relatively few changes in procedure from the preceding year? Could the division cut costs in time, paper stock, and printing by preparing a manual of instructions, to which changes and additions could be posted each July? Should such a manual be bound or loose-leaf? What other work of perhaps equal or greater importance would remain undone while either of

these major projects was being carried out? These are current examples of the extra-routine questions which the division faces continuously.

To return to the routine, a tentative revision is first made of the eight request forms and the document forms in the light of the suggestions accumulated in the file. These drafts are reviewed in staff meetings and by the director of the division; they are then submitted to the controller for final approval. No stage in this clearance process is merely *pro forma*; even the controller has from time to time made changes in specific forms.

When clearance has been completed, the forms are sent to the Purchasing Division for an estimate of printing costs; they are then reproduced. The document forms are sent to the state's contract printer, but some economy is currently effected by having the agency request forms multilithed by the Office Services Division of the Department of Administration.

Revision and clearance of the Instructions for Preparing Budget Requests follow a similar procedure. This fifteen-page directive, designed to help agency budget officers in filling out the forms, contains suggestions, with specific examples, on how to use the forms and how to prepare the necessary justifications in order to facilitate review by the Budget Division. The major sections of the instructions are devoted to a description of what is required in the way of program and activity information, the narrative justification of dollar requests for the various items of expenditure (including capital outlay), and the purpose and application of each form. A table of pay periods for the fiscal year is appended, and the department's policy letter is transmitted at the same time accompanied by instructions.

In 1952, the department's policy letter was distributed on July 14, as Budget Memorandum No. 38. In it the director referred to a previous budget memorandum on the subject of greater emphasis on program and activity request justifications; explained the purpose of the accompanying instructions and established a deadline of September 8 for their return in triplicate; indicated an expectation that requests would be at a level to permit agencies to carry out their existing constitutional and statutory responsibilities, but noted that proposed

expansion of activities should be supported as carefully and in as much detail as possible; and suggested that the current price level be assumed in the absence of specific changes for which other forecasts might be made. Budget memorandums, like the memorandums issued by the other divisions, are countersigned and approved by the controller; in the absence of a procedures manual, they constitute the most authoritative formal statement of the operating policy and the working procedures of the Department of Administration.

The forms for agency revenue estimates had already been distributed a week earlier, accompanied by a covering letter from the department, Budget Memorandum No. 36. Since only one relatively simple form was involved, no separate instructions were considered necessary, apart from the directions in the memorandum itself. A suggestion of the probable trend of economic activity during the next two years was included, and the deadline for return of the forms was specified as August 20. The assembly in agency kits of the request and the revenue forms, and their preparation for mailing, is a function of the division's administration section, which is guided in carrying out this job by a schedule drawn up by the RBP section showing the forms (and their quantities) needed by each agency of state government.

#### IV

THE heart of the budgetary process lies in the relationship between the budget examiner and the agencies with which he works.<sup>7</sup> He is the division's contact man par excellence; and the examination section is organized primarily on the basis of clientele, while the other sections are based on process. The RBP and execution sections operate as service units to the examination section except in the preparation of revenue estimates.

The examiner's role is inherently ambiguous. He embodies for the agencies in his jurisdiction a combination of service and control that characterizes administrative regulation. This ambivalence in contacts between the Budget Division and its administrative clientele has led

<sup>7</sup> V. O. Key, "The Lack of a Budgetary Theory," 34 *American Political Science Review* 1137, 1144 (December, 1940).

some writers to describe the budget office as an auxiliary service agency and others to insist that it is a competing center of administrative power and direction engaged in a process of administrative adjudication. Both positions are "right," of course, so long as they do not lose sight of one another. Budget offices and personnel naturally tend to tone down control and play up service aspects of their work.

During most of the year, the service element in the budget examiner's job undoubtedly predominates. Monthly reports, requests for allotment adjustments, requests for approval of out-of-state travel, purchase requisitions that involve deviation from the approved budget, work orders, and similar material cross his desk continuously and take up much of his time and attention. Agency budget or line officers seek his help and advice on the fiscal implications of countless matters of program adjustment that are constantly arising.

According to one theory, the examiner, as a kind of "super-expert," dispenses what has come to be called "know-how" (or fiscal technical assistance) without involving himself in substantive questions of policy and program. Actually, of course, this is not how things work. Many budget examiners are relatively young men not far removed from a master's degree in public administration or political science. In recent years, few have remained with the Budget Division long enough to become really expert in any one substantive field, let alone a number of fields. Often they have been attracted to jobs that offered more rapid promotion than Budget could offer, and some are now functioning in high administrative jobs in the larger line departments—sometimes in those formerly under their jurisdiction.

The examiners, therefore, must function perforce as generalists rather than as specialists. In most instances, questions are raised with an examiner not because he has *more* information than the man who asks the questions (although there are times when he will have), but rather because he has information of a *different kind* than his questioner. The examiner "knows" how a given expansion in program, shift in program emphasis, or shift in proposed means of accomplishing a program would be viewed by the budget director, the controller, or the Governor if it were called to their attention.

At least, his institutional vantage point puts him in a position to predict the relative preferences of his own superiors more accurately than can the agency personnel, who are politically and administratively much farther removed from the center of Executive policy-making.

Moreover, not all details can be brought to the personal attention of the director, fewer still will reach the controller, and even fewer will be considered by the Governor. As a practical matter, the budget examiner must, in quantitative terms, make most of the decisions which emerge in the budget document as budget recommendations, and his opinion on many matters touching appropriation levels is therefore important. As required by law, agency requests and budget recommendations are printed in parallel columns in the budget document. The examiner also writes the justification for budget recommendations, subject to approval by the director; and here silence may mean not consent but disapproval (or studied neglect). An agency may, of course, recoup in the Legislature what has failed to receive the approval of the examiner and/or the director, but its odds for doing so are not good.

It has been said that the budget examiner "knows" what Executive policy is (or what it is going to be!), and that this is the crux of his expertise from the point of view of the agency. From the point of view of the budget director, the examiner is a person who knows more about a certain group of programs and organizations than any one else in the division. Viewed from this angle, the examiner has expertise of a quite different nature.

The Budget Division also gives the examiners concrete guidance on Executive policy through the preparation of "range" estimates. During July-August, the examiners prepare two sets of estimate data—one based on the assumption of a minimum level of program activity consistent with constitutional and statutory requirements, and the other on the assumption of approval of all valid and justifiable requests resulting in an optimum level of expenditure. After review and approval by the director and the controller, these alternatives are presented to the Governor for his decision on the over-all level of operations for which legislative support will be sought. Theo-

retically, the Governor could establish a level below or above the range, but as a practical matter his decision will fall within the range. To go below it would seem to be a contravention of existing statutory requirements; to go above it would be a repudiation of the professional judgment of the budget staff.

In 1952, for instance, the Governor directed the division to prepare the 1953-54 budget on the basis of the programs supported in his 1952-53 budget, letting the dollars (in terms of price level fluctuations) fall where they might. The division translated this directive into a proposed general fund appropriation of \$349 million, as compared to the 1952-53 recommendation of \$354 million and appropriation of \$331 million. The figure finally recommended in the 1953-54 budget was \$345 million. Since the Governor's decision was made early in September, the budget examiners had fairly specific policy guidance when they began their review of budget requests submitted by the agencies.

#### V

**M**OST of the agency budget requests are received by the target date early in September, and the process of intermediate examiner review, hearings, and final examiner review and recommendation begins, extending over the three-month period from the middle of September through the middle of December. The agencies submit their requests in triplicate to the RBP section, which forwards one copy to the appropriate examiner and another to the legislative comptroller. The section keeps the third copy for processing, with the exception of capital outlay request forms which go to the Building Division of the Department of Administration. The Building Division prepares the Supplement to the Detail of the Capital Outlay Budget, which presents a textual and graphic description of proposed major building projects that are as diverse as heating plants and college libraries.

Although the tentative calendar shows a period of less than two weeks between the submission of agency requests and the beginning of hearings, this occasions little difficulty in practice. At this stage the budgeting process is flexible, with overlapping of the various phases relating to the budget units of each examiner.

The term "budget unit" is used to describe the breakdown of some agency budgets into several component parts to facilitate analysis by the examiner.

Some agency requests are submitted early, and the examiner can begin work on them before the target date of the calendar. Some requests are "routine" in the sense that they are for small agencies with well defined and well established programs in which there are only slight changes from year to year; these can be considered and dealt with in terms of such specific criteria as the appropriation for the current fiscal year and the general policy level established by the Governor. Others, however, are for controversial programs for major departments and raise numerous policy questions that cannot (and should not) be determined by the examiner alone. Different budget units are at various stages of consideration by the examiner and the rest of the division throughout the greater part of this three-month period.

The director draws up a schedule of hearings based on tentative appointments suggested by the examiners. Since the director acts as chairman at each of these sessions, hearing dates must be carefully scheduled to avoid conflict and to permit each agency sufficient time to present its case. The calendar is set up as a 2' x 3' chart which is placed on the division bulletin board as a reminder to the director, examiners, and other divisional staff. As changes in the original plan become necessary they are recorded on the chart. Hearings for the larger departments may require as much as two or three days; hearings for as many as four or five smaller agencies may be scheduled for one day.

Before a hearing takes place, the examiner prepares a memorandum for the director to brief him on the major matters relating to the agency request and the issues which should be discussed at the hearing. Some of these items are suggested by the recommendations and comments of the recent "Little Hoover Commission" reports; others stem from the annual reports of the Agency Audit Division of the Auditor General's Department; some are suggested by an analysis of the agency's justification (or lack thereof) for its budget requests; and still others are raised by the examiner on the basis of his knowledge of the operations of



the agency concerned. These memorandums constitute a major part of the hearings agenda.

Usually, the agency head and his finance officer and/or budget officer appear for the hearing. In some instances, members of boards or commissions also attend. In recent years, Civil Service Commission personnel have been invited and have attended hearings. Normally, the director and the examiner are the participants for the Budget Division. In a relatively few cases, where the issues presented in the agency requests have serious political import, the controller also sits in on the hearings. Thus, he is able to protect the division's staff from becoming too involved in political problems.

These sessions have a number of values. They have the psychological advantage of giving the agency "its day in court." The agencies have an opportunity to expand in oral argument the written justifications submitted with their budget requests and thus to gain greater understanding on the part of budget officials of the felt needs and program objectives of the agencies. They impress upon agency representatives specific implications for their agencies of gubernatorial policy, competing demands of other agencies, and respects in which their own proposals are weak or inconsistent.

On the basis of the specific decisions that are made and the general information that is developed at the hearing, the examiner turns to the detailed items in the agency's budget request to make his final recommendations. In this process, it is inevitable that questions arise which call for additional information. Sometimes he gets this information by visiting the agency;<sup>8</sup> sometimes he gets it by a telephone call or letter; frequently it is necessary for him to meet with agency representatives several times. Occasionally questions arise which must be brought (or returned) to the attention of the director, and in a few instances the director will take a matter up with the controller or, through him, with the Governor. Throughout this phase of the decision-making process, the examiner receives policy guidance from the weekly Monday-morning staff meetings. These

meetings also help to develop an esprit de corps among the examiners. At them the director transmits the directives he has received from the controller and the Governor and discusses the division's operations and program objectives for the ensuing week and the long run.

After the director has reviewed and approved the examiner's tentative work sheet which embodies his decisions in the form of recommended appropriations, the examiner writes up the justifications which appear in the detail budget volumes as "budget division comments," and in some instances in the Governor's message which appears in the summary budget volume. The director reads, approves, and initials the justifications before they are sent to the RBP section for final typing.

## VI

MEANWHILE, the RBP section has been at work on the charts and graphs and the revenue estimates. Some 135 such visual aids were prepared for the 1954 budget document to illustrate fiscal and economic trends as well as sources of revenue and areas of expenditure. They appear as an important feature of the Governor's message and as an integral part of the textual justification for the division's recommendations in the detail volumes. Although work on the charts and graphs begins early in August, they usually cannot be cleared for reproduction by the Department's Office Services Division until the examiners' final recommendations are in, since much of the information presented will be based upon data which will constitute the Governor's formal recommendation to the Legislature.

In contrast with the division of responsibility for estimates and revenue budgeting that obtains in the federal government, the forecasting of revenues is a function of the Budget Division in Michigan. The RBP section in preparing the forms that are mailed to the agency fills in items that are obtained from the charts of the Accounting Division, such as "account title" and "account numbers" for the agency, so that the agency's responsibility is limited to entering dollar totals, identification data for new accounts or new sources of revenue, and a justification to explain anticipated fluctuations from current and past receipts. Some sources, such as license fees, tend to be stable

<sup>8</sup> The chief examiner goes into the field to hold hearings for each of the state's mental health institutions before the divisional hearing is held. The Department of Mental Health appears at the later hearing, but the details of the institution budgets normally have been settled by this time.



from year to year; others, such as sales and gasoline taxes, may vary markedly. When the agency estimate forms are received in August, they are posted to a work sheet to facilitate analysis and comparison.

Since three or four months frequently elapse between receipt of an agency's estimates and the RBP section's final review and analysis, significant changes in receipt trends for major sources of revenue during this period must be carefully considered. In making its analysis and correcting, where necessary, the agency estimates, the revenue analyst must play by ear to an even greater extent than does the budget examiner. His assumptions about basic fiscal and economic trends must rest upon various sources, including his own files. The section maintains economic indexes divided into two major components, the first consisting of data on national production, income, consumption, finance, and so forth; and the second providing data on state population, employment, hours and earnings of labor, income payments to individuals, and the like. The revenue estimates rest primarily on a basic set of economic assumptions, which are crystallized only after extended consultation, including an annual conference with leading representatives from business, industry, and the universities in the state. The section is also represented at the annual Revenue Estimating Conference of the National Association of Tax Administrators, which provides an opportunity for checking the economic assumptions of the revenue analysts against the consensus of a large, mixed professional group.

The work on the revenue estimates must be completed by December 1, so that the section can turn to the task of assembling the budget document. The section's analysis is subject to review and approval by the director and the controller, and the controller sometimes suggests changes on the basis of special information at his disposal. The skill, experience, and judgment of the analyst play a large part in the compilation of this "half" of the budget. In recent years the over-all forecasts of the section have been remarkably accurate<sup>9</sup> and have pro-

vided a reliable yardstick of the probable relationship between recommended expenditures and anticipated revenues. This relationship sets the tenor of the Governor's budget message, and guides the Legislature in its decisions on appropriation levels, revision of revenue legislation, and other aspects of fiscal policy.

## VII

THE final recommendations of the examiners flow through the RBP section for a technical check and review for arithmetical and transcribing errors and consistency in statement and justification. This material must then be retyped on the larger budget document forms, and copy must be rechecked and proofread before submission to the director for final approval. It is then sent to the printer for reproduction. Some additional work is necessary on the part of the examiners and the RBP section to prepare the 50-page summary compilation that constitutes, with the budget message, the "official" budget. The division, and in particular the budget analyst in the RBP section, also assist the controller in drafting the Governor's budget message. The entire division is preoccupied with these finishing touches during the last two weeks of December. The assembled printer's copy must be proofread during the first few days of January, before final submission of the completed budget document to the Governor for his transmission to the Legislature within ten days after that body convenes in annual legislative session. In recent years, the Governor has presented the document the day the legislative session begins, although his oral message may be delivered a week or so later.

The job of helping to defend this budget before the Legislature has not even begun, and the task of budget execution is, of course, a continuous one throughout the year, yet almost before the ink is dry on the new budget document, the Budget Division has begun to plan for and think about the budget for the fiscal year ending some two and one-half years in the future. By the time the Legislature has adjourned in late spring and action on the recently submitted budget is completed, the cycle for the next budget already is in motion.

<sup>9</sup>With an average error of 0.3 per cent for the last four years. State of Michigan, *Detail of State Operations and Local Benefits Budget for Fiscal Year Ending June 30, 1954*, Part I, Section A, p. A-14.

# Reform of the Italian Bureaucracy

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A DECADE has elapsed since the collapse of Mussolini's fascist government in 1943. This eventful period has witnessed an armistice, the destructive finale of World War II with its accompanying civil war, and the abolition of the monarchy. Early postwar efforts at rehabilitation and a peace treaty followed, together with the drafting of the Constitution which was completed in 1947 and went into effect at the beginning of 1948. Since that date economic conditions as measured by industrial production and other indexes have improved greatly. The currency has been stabilized. Some degree of public order has been restored. Italy has achieved a position of respect in the field of foreign affairs and has taken a leading part in the moves toward European economic integration and political unification. Despite the continued failure to implement several of the more important provisions of the Constitution, the essentials of a responsible parliamentary system are being nourished.

Internally Italians are devoting a considerable amount of attention to the reform of their bureaucracy. In this article, attention will be directed chiefly to its hierarchical, career, and procedural aspects.<sup>1</sup> The main stages in the historical evolution of the bureaucracy and some features of its legal framework and organization will be noted first; a more detailed ap-

praisal of postwar changes and reform movements will follow.

## I

IT is difficult to reconstruct a picture of the bureaucracies of the Italian states prior to 1848.<sup>2</sup> However, the bureaucracy of the Kingdom of Sardinia-Piedmont, which owed much to the heritage of the French administrative system, furnished the central core for a unified Italian state. The establishment of the Kingdom of Italy in 1861 was followed by the issuance of various decrees and by the enactment of certain laws which dealt with such matters as suspensions, pensions, dismissals, and leaves of absence. Practices and usages developed in the separate ministries to provide some uniformity in nominations, promotions, and classifications. Despite a number of proposals for organic laws dealing with public employees during the period from 1871 to 1900, there was no comprehensive statutory regulation of service relationships until 1908. Organizations of public employees, after a late start, developed rapidly during the period from 1900 to 1910. On the whole, there was evidence of improving morale and efficiency and increasing recognition of the rights of civil servants prior to 1922 when Mussolini and his Black Shirts succeeded in their self-styled "historic struggle against the bureaucracy."

In 1923, following the recommendations of certain commissions created to study the bu-

<sup>1</sup> The author's study of Italy's bureaucracy during the concluding stages of the Ethiopian venture while the stage was being set for the succeeding step in Spain, will furnish some basis and perspective for comparison. "Italy's Fascist Bureaucracy," 32 *American Political Science Review* 1143-57 (1938). The term "bureaucracy" is not used in this paper in an invidious sense. The "bureaucrat" is the public employee. See C. J. Friedrich, *Constitutional Government and Politics* (rev. ed., New York, 1950), ch. 2.

<sup>2</sup> On the historical background, see Carlo Schupfer, "Organizzazione amministrativa avanti l'unificazione legislativa," in V. E. Orlando (ed.), *Diritto amministrativo italiano* (Milan, 1900), I, pp. 1091 ff.; L. Dupriez, *Les ministres dans les principaux pays de l'Europe* (2 vols., Paris, 1892), I, p. 337; M. Petrozziello, *Il rapporto di pubblico impiego* (Rome, 1935), ch. 3.

reaucracy, and borrowing from Austrian precedents, the Government issued two important royal decrees.<sup>3</sup> Both were based on the broad delegated powers granted by Parliament in December, 1922, to the Government for the "reorganization of public offices and institutions." The decree of November 11, 1923 (n.2395), on the "hierarchical organization of the state administrations," covering in a common blanket both the civil and military employees of the state, was designed to procure the "establishment of the equality of grades of employees of the different services, the proportional equalization of the salaries of the employees in the same grade," and the "conformity of the hierarchical system of salaries to the hierarchical system of grades." The decree of December 30, 1923 (n.2960), on the legal status of the public employees, covered such matters as appointments, promotions, disciplinary sanctions, and retirements. These two decrees were in no sense revolutionary; in some degree they were a codification of existing practices.

The crude and extremely rigid classification system applied to soldier and civilian alike. Civil employees were divided into three functional groups and thirteen salary grades. Group A, with salary grades eleven to one, included individuals having directive and advisory functions; Group B, with salary grades eleven to six, included those having administrative functions; and Group C, with salary grades thirteen to eight, was composed of those having clerical and custodial functions. Below Group C, there was the Subaltern Group consisting of ushers, doorkeepers, and so forth.

Entrance into the service was to be on the basis of competitive examination; employment started at the lowest grade in the group. A university degree or its equivalent was required for Group A, a junior college (*liceo*) diploma or its equivalent for Group B, a high school diploma or its equivalent for Group C, and lower qualifications for the subaltern employees.

<sup>3</sup> These decrees and other useful materials for study of the Italian bureaucracy may be found in G. Zanobini and G. Cataldi, *Codice delle leggi amministrative* (Milan, 1952), pp. 505 ff. The changes in the postwar period are included in the discussion by G. Zanobini, *Corso di diritto amministrativo* (5 vols., Milan, 1948-50), III, pp. 218 ff.; see also Cino Vitta, *Diritto amministrativo* (3d ed., 2 vols., Turin, 1949-50), II, ch. 3, sec. 2.

Controls, including the direction of the administrative and disciplinary councils, which were appeal bodies in promotional and disciplinary cases, were in the hands of higher civil servants, acting under the direct aegis of the Minister. There were separate examinations for entry and individual rolls for each ministry and agency, and transfers between departments were almost impossible. The Council of Ministers provided the only real coordination.

The formal provisions of these decrees, still in effect with only minor amendments, do not tell the story of the fascist period. The abolition after 1926 of any effective right of association made the dependence of the state employee upon his hierarchical superior more complete. The significance of the administrative courts as guarantors of the legal rights of the *impiegati* was reduced to a minimum, at least in such questions as dismissals for political reasons, while the altered role of Parliament prevented it from serving as a forum for the ventilation of grievances or an avenue for their redress. The fascist emphasis was upon a new type of public service and collective responsibility. Favoritism in increasing degree found its way into the service.<sup>4</sup> Although various commissions were appointed to study the problems of the bureaucracy, few changes were made. The decrees of 1923 proved adequate for fascist purposes when injected with the officially recognized ethos. But, it should be added, the power of the bureaucracy to resist these new influences was substantial.

World War II produced some of the changes which were experienced in other wartime countries, though they were perhaps less noticeable for the reason that Italy had actually been in a state of war since 1935. Peak employ-

<sup>4</sup> Much of the "fascist inflation" of the public rolls, as it is termed today, resulted from the padding of the rolls through steps ranging from political nominations to higher posts in the foreign service and newly established ministries to the appointment of numbers of persons to lower positions "not on the rolls." Note the references in the author's "Italy's Ministry of Popular Culture," *2 Public Opinion Quarterly* 425-34 (1938). The provision in the royal decree permitting appointments in "exceptional cases" even in the lower grades without *concorsi* (R. D. of Dec. 30, 1923, n. 3084, art. 11) was repealed by a decree of July 10, 1947 (n. 679). Cf. Michele La Torre, *Nozioni di diritto amministrativo* (Rome, 1951), p. 71.

ment in Italy was reached during 1942, when the public services had been diluted by large numbers of dependents of veterans who were given temporary positions. Examinations for promotions were discontinued in the same year. Despite certain special arrangements for wartime employment, the focal point of the bureaucracy still continued to be the decrees of 1923 as modified by wartime practices and demands.

While part of Italy was still a battlefield in 1944, the first steps were taken by the Italian Government under Allied encouragement to punish war criminals and fascist activists and to purge from the public employment rolls those who in specified ways had been tainted with fascism. Responsibility for purification (*epurazione*) was first assigned to a High Commissioner; later his powers were redefined and the machinery was changed to place initial responsibility upon the departments and agencies, with a final right of appeal to the Council of State. On February 7, 1948, by royal decree law (n.48) all proceedings in course against alleged violators below the rank of Grade 5 were dropped, with certain minor exceptions, a step which showed up immediately in the statistics of the special section of the Council of State charged with hearing these appeals.<sup>5</sup> In the period after 1944, provision was made for the readmission of those who had been dismissed during the fascist period for racial and political reasons.

Few lasting changes were made in the ranks of the classified service, except in the case of top-ranking fascists, and large numbers of employees suspended or removed in the period 1944 to 1948 were restored to their former positions with back pay. A casual comparison of the seniority rolls of several departments in 1943 and 1948 shows the limited effects of the *epurazione*. The whole history of this period is

<sup>5</sup> The decree law of February 7, 1948, resulted in extinguishing over 5,000 pending cases in 1948. For these and other data on the work of the special section of the Council of State for *epurazione*, consult *Il consiglio di stato nel quinquennio 1947-50* (4 vols., Rome, 1952), III, Appendix, table 14; also I, pp. 246-52. Some new proceedings were started after 1948 but they apparently represented exceptional cases. The figures do not indicate how many *impiegati* were actually disciplined and failed to make any appeal.

remembered with bitterness by most Italians,<sup>6</sup> albeit for quite conflicting reasons.

The revival of the trade unions and associations of personnel has been one of the more important postwar developments. A unified labor organization, the Italian Confederation of Labor (CGIL), emerged during World War II, but wide internal ideological differences and an aggressive communist leadership caused a split in its ranks in 1948. By 1950, there were three main confederations, the Communist CGIL, with an estimated (as contrasted with a claimed) membership of 3,500,000; the Christian Democratic CISL, with 1,000,000; and the Socialist-Republican UIL, with 200,000. Each of these confederations included important segments of public employees. The CGIL, for example, was particularly strong among the railway and postal workers, the CISL among the white-collar workers in the ministries, and the UIL among the lower-paid civilian employees of the defense departments. A number of independent associations have also been formed; among them is DIRSTAT which, composed of higher civil servants, has been especially active in encouraging administrative reform. Despite occasional instances of joint action on economic questions, ideological differences and, in particular, the use of CGIL for partisan political ends have prevented any sustained united efforts.

A long sequence of commissions created to study the problems and reform of the bureaucracy since 1870 attest to a continued governmental concern. Certain of these commissions, especially those created after 1922, may well have had their ears more attuned to the political currents than to the demands for scientific analysis. General attacks on the bureaucracy as a whole have come in part from the deep-seated individualism and basic anti-state attitude prevalent in Italy over a long period. The main complaints of today have many precedents in earlier official documents. They include charges of excessive formalism, undue centralization of authority, inability to devolve responsibility, failure to define clearly the competences of the individual civil servant, overlapping and cumbersome controls, inadequate

<sup>6</sup> Ferruccio Pergolesi, *Diritto costituzionale* (8th ed., Bologna, 1952), p. 19.



pay, and failure to recognize the rights of employees, including representation. These charges are directed against the administrative system in general and the bureaucracy in particular. Some recent thoughtful analyses have incorporated these criticisms.<sup>7</sup>

## II

THE period since World War II, and especially since 1950, has witnessed an effervescence of proposals for the reform of the bureaucracy.<sup>8</sup> Some have come from private sources, very often from students of administrative law. Others have come from the professional associations, particularly DIRSTAT, and from independent groups of civil servants.<sup>9</sup> Beginning in 1944 with the Commission for the Reform of the Administration, headed by Professor Ugo Forti, a series of commissions has studied the problem. More realistic efforts were begun in 1951, under the auspices of the Vice President of the Council of State, Piccioni, by the Under Secretary to the President of the Council for the Reform of the Administration, Roberto Lucifredi.<sup>10</sup> An Office for Reform was created under the direction of Professor Giuseppe Cataldi; it has engaged in intensive studies of the bureaucracy and has made many recommendations for improvement.<sup>11</sup>

<sup>7</sup> DIRSTAT, "L'organizzazione dei pubblici uffici . . ." (Convegno di studi sulla pubblica amministrazione, 1950).

<sup>8</sup> A list of some of the more important has been compiled by the Office of Reform under the presidency of the Council of Ministers, with the title *Materiale di utile consultazione*, Allegato n. 1. This bibliography includes general studies, pertinent parliamentary acts, articles from Italian periodicals and press, and a quite heterogeneous list of foreign publications.

<sup>9</sup> The most ambitious effort is represented by the monthly periodical, *Burocrazia*, which since its initial appearance in 1947 has been interested in bureaucratic reform in the light of the experiences of other countries.

<sup>10</sup> Consult the various writings of Professor Lucifredi, including his "Orientamenti generali per la riforma dell'amministrazione," *Civitas*, April, 1952 reprint, pp. 3-28, and "Riorganizzazione degli organi di governo," *ibid.*, September, 1952 reprint, pp. 3-12.

<sup>11</sup> See Giuseppe Cataldi, "Nuovi indirizzi nell'organizzazione delle amministrazioni centrali," 1 *Rivista trimestrale di diritto pubblico* 453-504 (1951), and Marcello Amendola, "Gli studi e le realizzazioni per la riforma della pubblica amministrazione," 2 *ibid.*, 3-15 (1952). The author is indebted to the Office for Reform

The work of the commissions has usually been entrusted to a professor of public law; therefore, the tendency has been to stress legal forms rather than the administrative process or the factors involved in decision-making. With inadequate statistical material, a lack of concern for such preliminaries as job analysis, and small and harried staffs which usually have not been trained for specialized work in public administration, these commissions have tackled tasks as ambitious as those undertaken by the Hoover Commission in the United States. Their reports have been received by a skeptical public acclimated to proposals for change made in the grand manner but followed by little, if any, implementation.

A preliminary problem is how reforms should be undertaken. Should Parliament enact a law dealing in detail with the legal and economic status of the *fonctionnaire*; should the decree power of the Government under parliamentary delegation be used; or should there be a combination of these methods? The associations of lower-paid employees strongly favor the first alternative. They fear a revival of the "delegation of powers mentality," remember the abuses of Mussolini and his cohorts, and have a deep respect for statutory provisions. Recent legislation in France and other European countries relating to civil servants has furnished added support. On the recommendation of the Interministerial Committee under the chairmanship of Minister Piccioni, the De Gasperi Government approved a proposed "law of delegation" and the organizations of higher civil servants have supported this action. They contend that under present political conditions and in the light of past delays and obstructionist tactics of the extremist parties in Parliament, the use of the decree power under the specific safeguards in the Constitution is the only feasible way to secure needed action.

The draft of the proposed law of delegation, which De Gasperi planned to submit to Parliament after the 1953 elections, authorizes the Government to issue within one year one or more decrees covering career and economic

for a complete set of its completed studies, mimeographed drafts of proposed laws and decrees, and typewritten progress reports on work under way.



questions relating to state employees and outlines in some detail the criteria which are to guide the Government in the exercise of this power. It requires the Council of Ministers before the issuance of decrees to receive the advice of a commission composed of members of the two houses of Parliament. It also authorizes the Government to prepare within two years a codification of the existing norms regarding the status of civil servants and recognizes the separate authorizations and dispensations relating to railway employees, teachers, and military personnel. A provision of the proposed law restricting the right to strike has been bitterly assailed by all of the trade union and civil servant associations; it helped to make the proposed law a minor issue in the 1953 election.

Topside control and coordination is another problem in the reform to the bureaucracy. The Italian administrative system consists of a complex of ministries, autonomous agencies, separate administrations, public and quasi-public corporations with varying legal relationships to the Ministers, the fiscal officers of the state, and parties other than the state. Over-all coordination is largely provided by the Council of Ministers, by appropriate interdepartmental committees, and more recently by Ministers without portfolio,<sup>12</sup> but there is a well grounded belief that these coordinating agencies are inadequate. In particular, the President of the Council of Ministers lacks staff agencies to enable him to exercise effective supervision over administration and the bureaucracy. At least some of the uncertainties would be removed by the passage of the bill dealing with the organization and jurisdiction of the Office of the Presidency of the Council of Ministers<sup>13</sup> which was reported favorably in 1952

by two of the commissions of the Chamber of Deputies.

Within the ministries and agencies, the problem of control and coordination is likewise pressing. Under the legal façade, there is considerable uncertainty about the actual position of the Minister, his cabinet, the under secretary of state, the directors general, and the Council of Administration. To borrow an expression from John Dickinson, organizational relationships "effervesce with riotous uncertainty." The results are not surprising. Failure to devolve responsibility to subordinates makes for delay in the performance of tasks. Lack of any effective coordinating agency in the departments results in overlapping functions and jurisdictional uncertainties. Many remedies have been suggested; there has been considerable support for moves to increase the powers of the Council of Administration and to convert it into a coordinating agency.<sup>14</sup> Whatever the solutions to these problems, the present administrative structure makes for overstaffing in some bureaus and understaffing in others in the same ministry, encouragement of a well-developed tendency to shirk responsibility, and absence of any really meaningful checks on performance.

More effective control of the bureaucracy is related to moves for decentralization of administration in Italy. In the light of various constitutional provisions, especially Article 5, several proposals have been made for administrative deconcentration and decentralization. The enactment of a highly involved draft law proposed by the Office for Reform to transfer to the provinces and communes certain "strictly local" functions would affect hierarchical relationships but would not alter the legal rights or economic status of state employees.<sup>15</sup> In at least one of the four regions cre-

<sup>12</sup> See DIRSTAT, "L'organizzazione dei pubblici uffici . . ." (1950), pp. 11 ff. and "I controlli nella pubblica amministrazione" (1950), pp. 4-9.

<sup>13</sup> Atto Cameri Deputati, n. 2762; cf. Cataldi, "Nuovi indirizzi . . ." *op. cit.*, pp. 469 ff. and Lucifredi, "Riorganizzazione . . ." *op. cit.*, pp. 4 ff. Article 14, which makes reference to the role of the President of the Council in his "oversight of general administration, its organization, and regulations of the state," and Art. 15 which regulates the internal organization of the office and provides specifically for an "Office for the Coordination of Public Administration," should be mentioned. *Ibid.*, pp. 8-9; Amendola, *op. cit.*, pp. 9-11.

<sup>14</sup> The Council of Administration at present is presided over by the Minister or his deputy and is composed of a certain number of higher civil servants, chiefly directors general, and the chief of personnel. R. D. of December 30, 1923, n. 2960, Art. 11. See Aldo Bozzi, "I profili costituzionali della riforma della pubblica amministrazione," 101 *Rivista amministrazione* 534-39, esp. p. 537 (1950).

<sup>15</sup> See Art. 8 of the draft law, prepared by the Office for Reform, and the accompanying *Relazione al disegno di legge concernante la delega legislativa per l'attribuzi-*

ated in accordance with specific constitutional provisions, some steps have been taken to transfer a limited number of employees from state to regional rolls.<sup>16</sup> By and large, however, little has resulted from the efforts to bring about a greater degree of deconcentration, and it is to be doubted that the position of any appreciable number of public employees will be affected in the near future by proposals which still carry a heavy ring of political unreality.

### III

THE most acute and most discussed problems are the number, social composition, and economic status of the state bureaucracy. Statistics after 1949 are quite inadequate. In 1949 there were 1,089,261 state employees, of whom approximately two-thirds could be classed as permanent and one-third as temporary. Of the total, 769,349 were direct employees of the government; 319,912 were employees of autonomous agencies including the railways and monopolies. Private estimates fixed the total state employment at 1,075,177 in January, 1951.<sup>17</sup> This figure may be compared with totals of 783,805 in 1937 and 1,293,328 in 1942, the peak year of employment. In part the growth in the size of the bureaucracy since 1920 may be attributed to the "inflation of the fascist period" in the case of the ministries and to wartime demands in the case of the autonomous agencies and public corporations.<sup>18</sup> Since 1939, the

*one di funzioni statali d'interesse esclusivamente locale* . . . (mimeographed, n. d.).

<sup>16</sup> In Sicily former state employees while in the process of transfer were designated as "employees of the state and region." With the passage in March, 1953, of a new Sicilian personnel act (Assembly, n. 180), these specified employees will be finally transferred to the regional rolls.

<sup>17</sup> An estimate from the Office for Reform. Lucifredi, "Orientamenti generali . . ." *op. cit.*, p. 12 and note 1. For "civil service" employment figures during the week of September 7-13, 1952, see CERP of the U. S. Labor Attaché in Rome entitled "Report of the Tremelloni Committee," dated April 20, 1953, p. 6. Estimates for 1953-4 indicate increases over 1952-3 in the numbers of direct employees both of the state and of the autonomous agencies. *Nota preliminare al bilancio di previsione, 1 Luglio 1953-30 Giugno 1954*, Senato della Repubblica, Documenti 1948-53, 2 Aprile 1953, pp. 15, 17.

<sup>18</sup> "Quanti sono i dipendenti statali," *Documenti di vita italiana*, I, pp. 65 ff. (December, 1951). According to the Parliamentary Commission of Inquiry on Unem-

ployment, the ratio of men to women in the "public administrative services" was roughly 11 to 5 in 1952. See its report, *La disoccupazione in Italia* (Rome, 1953), I, p. 48. Although there has been much postwar discussion of equal rights for women in public services, there are very few women in the higher ranks. Custom, rather than law, is the chief reason.

chief increases have been among temporary employees, as distinguished from employees on "the rolls," primarily in the military and educational services. Of greater significance in some respects than the growth in size of the bureaucracy has been the change in its social composition. Despite lack of data and special research, at least two trends are clear. First, the percentage of state employees from South Italy has been increasing for many years and at an accelerated rate since the end of World War II. In almost all quarters in North Italy one detects a deep concern over what is frequently termed the more "security conscious" and "authoritarian" mentality of the South.<sup>19</sup> In some sectors—for example, the security forces of the Ministry of the Interior and the elementary school teachers—it is alleged that the percentage is abnormally high, and that the *esprit de corps* of the bureaucracy is being heavily conditioned thereby. These contentions cause considerable resentment in South Italy, where it is said that they are only partially accurate and are not made in good grace in view of superior economic opportunities and lower unemployment in the more industrialized North. A second trend has been the increasing percentage of disabled veterans and dependents who have benefited from the different types of veteran's preference.<sup>20</sup> Both trends result in special pressures within the bureaucracy to maintain the number of state employees at the highest possible level.

The real income of state employees has im-

ployment, the ratio of men to women in the "public administrative services" was roughly 11 to 5 in 1952. See its report, *La disoccupazione in Italia* (Rome, 1953), I, p. 48. Although there has been much postwar discussion of equal rights for women in public services, there are very few women in the higher ranks. Custom, rather than law, is the chief reason.

<sup>19</sup> A typical illustration is Giulio De Marchi, "La mortificazione dell' intelligenza," *Riforma amministrativa*, April 4, 1952, pp. 3-4. Professor De Marchi stresses the change in the regional origins of state employees since 1914 and feels that this change has helped destroy the possible usefulness of the bureaucracy as a unifying factor in Italy.

<sup>20</sup> Under the law of June 3, 1950, n. 375, which amended legislation dating back to 1921, more concessions were made to the veterans and dependents. Specified percentages of posts, ranging up to 30 for porters in the transport services, were reserved for disabled veterans.

proved greatly over the low of 1947, but the total take-home pay of the average Group A civil servant has dropped at least 20 per cent as compared with 1938.<sup>21</sup> The loss in real income is proportionately less in Groups B and C, whereas the real income of subaltern employees is higher today than it was fifteen years ago. Several comments are in point. First, the total return to the public employee is low in any comparative terms, with the average monthly take-home pay (including basic salary, cost of living bonus, family allowances, and other payments) for a Group A employee with wife and two children ranging from the equivalent of \$278 for Grade 4 to \$89 for Grade 11 at the end of 1952. Second, the real income of the highest civil servants has dropped the most of any group as compared with 1938, with the inevitable effects upon the prestige and morale of the *dirigenti*. Third, payments are extremely complicated, including besides basic salary, such items as cost of living, thirteenth month (pre-Christmas), function, attendance, and personal bonuses. The calculation of the contributory pension system is also highly complicated. Fourth, despite very low rates of pay, payments to dependents of the state allegedly absorb over 50 per cent of the ordinary revenues of the state.<sup>22</sup> Without some reduction in numbers of employees, the budgetary problem in meeting demands for increased compensation is obvious. Under pressure, the state has temporized with special concessions in order to avoid the political and economic difficulties in a general overhauling of the compensation system. Finally, the house-that-Jack-built system of compensation exhibits the effectiveness of certain pressure groups, the members of the judiciary at one extreme and the better organized and lowest paid employees (*operai, salariati*) at the other having so far fared best.

<sup>21</sup> See "L'anticipo agli statali e le difficoltà del bilancio," *Corriere della sera*, May 10, 1953, p. 6. The author's own averages, based on data in *Annuario statistico italiano*, 1952, pp. 330, 352, and 363 would indicate that the estimates are conservative.

<sup>22</sup> According to a recent account by former Premier De Gasperi, as reported in *Corriere d'informazione*, May 11-12, 1953, p. 1. "Administrative" costs in all sectors are on a comparative basis higher in Italy than in Great Britain and France. C.I.S.I.M., *Problemi economici ed industriali delle industrie meccaniche italiane* (Tivoli, 1952), p. 177.

Budgetary costs are the chief reason for current efforts to reduce the number of employees, certainly excessive in most categories for the efficient performance of present duties. The Office for Reform has made various suggestions, including compulsory retirement at the age of 65 and more rigid freezing of the employment rolls. The drafts of laws it has prepared relating to directive personnel and to the other groups include provisions to restrict the new rolls to 90 per cent of the old and to make meaningful the powers of removal for incompetence. It will be difficult to take these steps, however, so long as the public services are viewed in one sense as social welfare agencies. In other words, it would be politically hazardous for any Government to drop even a small percentage of the surplus personnel when there are between 1,500,000 and 2,000,000 unemployed. An election year, either before or after the event, is certainly not a strategic time in which to press for a new orientation toward reduction.

The problem of recruitment and selection has had limited consideration. The system of examinations continues to be unified in the sense that there are still common academic requirements for entry into the various groups. Since each ministry prepares its own examinations the contents vary within general limits. These examinations usually follow a traditional pattern and evidence little interest in the many new developments abroad in examining techniques. A law degree is a common submission for those entering the nonscientific competitions for Group A, though a degree in economic studies or political science is a frequent substitute. Law students normally complete highly theoretical programs of study in which there is little opportunity for electives. The adequacy of this educational preparation for future *dirigenti* has rarely been questioned, though there has been one admission that an able jurist could be a bad prefect. In general, the better students from the law schools do not elect the public service if other career opportunities are open, though the foreign service and the judiciary offer special appeals.

Italy has no training programs and institutions for higher civil servants comparable to those established since World War II in France, although there has been some discus-

sion of the French experience. Special lectures and programs are occasionally offered in the universities and elsewhere for refresher purposes; but in-service training, except in the technical services, is in its infancy. There is inadequate discussion of the needs of the public services in connection with the proposed reforms of the public school system, and no evidence of steps at the pre-university level to combat some of the more unfavorable predispositions toward the bureaucracy. The *concorsi* for some of the scientific posts, including those held by physicists and chemists, have had so few participants as to justify frequent references to the "crisis of recruitment."

More attention has been given to other career problems. Growing dissatisfaction with the multiplication of salary grades under the 1923 decree arrangements and their failure to give adequate recognition to directive personnel were offered by the Office for Reform as a justification for two draft laws which it prepared and distributed widely for discussion in 1952-53.<sup>23</sup> Since certain of their main principles are incorporated in the proposed law of delegation, they will be briefly summarized. Four new groups of personnel with somewhat more appealing titles would be substituted for those now existing. Group A, for example, would become "Personnel of the Directive Career," and the Subaltern Group would be renamed the "Auxiliary Personnel." The number of grades would be sharply reduced; the directive personnel, for example, consisting of directors and secretaries, would have only four grades. Promotional examinations, recently re-instituted, would be given a more important role. Efficiency records, which find a great percentage of the employees uncritically rated as "best," would be replaced by "informative reports," which would be prepared in a somewhat different manner. Salary increases would be periodic and independent of career advancement or promotion. There would be a slight relaxation of "exclusiveness," compelled by the system of closed rolls, to permit some in-

dividuals from the "outside" to qualify for inclusion on the new rolls. Additional powers for the Council of Administration would enable it to serve more as a coordinating body and not solely as an appeal organ in promotional cases. Encouragement would also be offered for more frequent removal because of incapacity.

These proposals, critically viewed, would not alter fundamentally many of the basic features of the present system. They have almost completely ignored such pressing matters as employee representation; they make only limited concessions to recruitment from below to the ranks of the directive personnel. "Hierarchy" is still the central concept. A gesture in the direction of a unified office for examinations will provide few restraints on the free-wheeling of the separate departments. Nevertheless, these documents represent faltering steps in the right direction.

Antiquated methods and procedures are being subjected to more and more critical examination. Commissions have made serious studies of archivization and documentation, standardization of forms, mechanization of the services, and preparation of trained technicians, and the Office for Reform has spurred general interest by arranging frequent departmental meetings and interdepartmental conferences. Many needed changes can be made without any legislative action. Some progress has been made, but in general the ministries in Italy are far behind other modern states and Italian private industry in their adoption of new procedures and equipment. In addition to obvious financial obstacles, many workers are psychologically adjusted to the old and associate the new with reduction in positions and possible loss of employment.<sup>24</sup>

#### IV

THERE are four main types of organs in Italy for protecting the rights and redressing the grievances of state employees—Parliament, the administrative courts, the representative coun-

<sup>23</sup> See *Relazione allo schema di disegno recante norme sullo stato giuridico del personale delle carriere direttive delle amministrazioni dello stato . . .* and *Relazione . . . del personale di concetto, esecutivo ed ausiliario dipendente dalle amministrazioni dello stato* (both mimeographed and undated).

<sup>24</sup> *Burocrazia*, 8-9 (May, 1953). Only a person who has had the experience of renting an apartment in Italy can fully appreciate this point. He must learn to spend hours in endless lines before post office windows in order to pay a gas, electricity, or telephone bill, while poorly paid clerks copy laboriously by hand insertion after insertion.



cils, and the unions and associations of personnel. Parliament by statute establishes the rights and the legal basis for the redress of grievances; in addition, a deputy or senator may make his influence felt in various ways where employee grievances are voiced. Parliament also serves as a kind of forum for the complaints of employees, especially the *casuali*, a forum which has been degenerated too frequently through the use of the legitimate complaints of these vocal state employee groups by extremist parties for propaganda purposes. Certainly members of Parliament, with their ears to the ground, have been responsible in part for the extreme delicacy with which the Government has approached the problem of reducing the number of public employees.

The Italian administrative court, the Council of State, is an important organ for the protection of the rights of the state employee. Modelled on the French Council of State, it has served as a court of appeal for the aggrieved *fonctionnaire* in cases involving questions ranging from promotions to disciplinary problems and dismissals. The considerable number of cases which it hears annually attests to its significant role.<sup>25</sup> But there are claims that the Council of State has limited significance for the lower-paid employees—that lawyer's fees and the possible costs of proceedings serve as a deterrent to appeals. Long delays in handling some cases are another factor. Furthermore, action by the administrative court declaring a ministerial act null and void on the grounds of illegality, illegitimacy, or excess of power does not compel the Minister to act positively, though it allows to the aggrieved employee two mutually exclusive courses of action in case the Minister fails to do so. Finally, it is alleged that the membership of the Council of State is recruited in part from the directors general of the ministries and has a natural tendency to respect unduly the "Government side." Whatever the merits of these criticisms, their existence indicates a state of mind in some quarters which in itself is a matter of significance. The administrative courts, while far more important than during the fascist period, have not yet realized their full potentiality as agencies

for the redress of the grievances of state employees.

Representative councils comparable in any respect to the Whitley Councils in Britain, the joint councils in France, or the works councils of the public services in Western Germany have barely made their appearance in Italy. Certain of the autonomous agencies (such as the railroads and the monopolies) and public corporations (such as the Italian Office of Exchange)<sup>26</sup> have witnessed some beginnings in the development of representative organs, usually vested only with advisory powers. But this type of institution is not recognized in the regular ministries. Several reasons for this limited development have been offered. The wide social gap between different groups of employees makes the introduction of joint representative bodies difficult. This situation has been especially noted in certain of the mechanical industries, many of which are partly owned by the state,<sup>27</sup> but some of the same observations would hold for the public services. But more immediately pertinent is the great difficulty of providing a satisfactory system of employee representation in view of the sharp ideological division among the organizations of state employees, a majority of which are clearly communist controlled. This difficulty has probably helped dissuade the Office for Reform from taking a position on some representative plan.

The unions and associations of personnel may exert various forms of pressure, including the strike, on governmental bodies. The strength of these organizations is not great today, in part for the same reasons which help explain the weakness of the trade union movement as a whole in Italy. The chronic mass of unemployed, the internal ideological divisions among organized employees, the newness of the organizations and their lack of financial resources, and the fragmentation of the organ-

<sup>25</sup> See provisions for the consultative personnel commission. Ufficio Italiano dei Cambi, *Regolamento del personale* (Rome, 1946), ch. 3. But note at the same time the *Regolamento per il personale dell'ente provinciale per il turismo*, the provisions of which have not been changed since their adoption during the fascist period, though they are being studied.

<sup>26</sup> C.I.S.I.M., *Problemi economici ed industriali* . . . , pp. 245 ff. Note the references to the limited extent of labor representation on government boards and commissions. *Ibid.*, pp. 282 ff.

<sup>27</sup> *Il consiglio di stato nel quinquennio 1947-50*, I, pp. 109 ff.

ized employees into a myriad of small unions<sup>28</sup> are all contributing factors. Many types of state employees, such as school teachers, do not lend themselves to effective organization. In addition, the repeated use of strikes for political purposes by the communist-controlled CGIL helped prevent the possibility of any sustained unity of action on economic questions. Nevertheless, public employees have contributed effectively in opposing reduction in their numbers and restrictions on their right to strike. Their pressures are otherwise largely exerted to preserve or improve the economic status of their members. With all their weaknesses and limitations of outlook, their activities furnish the major contrast between the functioning of the bureaucracy today and in the fascist period.

## V

IN CONCLUSION, the chief changes in the bureaucracy since the end of the fascist regime have been reflected in the revival of political parties, of representative institutions at the national and local levels, and of unions and associations of personnel. The political rights of employees have real meaning today, and special appeals during the parliamentary campaign of 1953 to the vote of the *statali* and *impiegati* are indicative. Despite their inadequacies, Parliament, the Council of State, representative organs, and associations and unions protect the rights of state employees far better today than during the Mussolini epoch. There has been some broadening of the social base from which university students come and, in turn, a certain democratization of the legally prescribed source of supply for Group A civil servants. Some of the more extreme forms of favoritism, reflected in the history of the *casuali*, have been reduced.

Notwithstanding many studies and innumerable proposals for reform, the organization,

career aspects, and procedures of the bureaucracy are still regulated basically by the 1923 decrees. It may be seriously doubted that postwar commissions have been adequately concerned with some of the most fundamental problems of the bureaucracy, including recruitment, over-all control, employee representation, and morale.<sup>29</sup> Also, they may have emphasized too heavily legal forms rather than administrative process. Since serious work on the administrative process is in its infancy in the Italian universities, research undertakings and reform proposals may be expected to continue a legal emphasis until there have been more studies of "decision-making."<sup>30</sup> There is, however, a continuing concern with the problem of the bureaucracy. The Office for Reform is making thorough, thoughtful, and determined efforts to correct some of its existing defects. The task is not easy, for reform of the bureaucracy is contingent, in great degree, on basic social and economic improvements in Italy, and, in particular, on reducing permanently the number of unemployed. Since there can be no quick or simple solution to this problem, there cannot be overnight fundamental reforms in the bureaucracy. At this point it would be typical in Italy to recommend "*pazienza*."

<sup>28</sup> A majority of the higher civil servants to whom the author talked in 1952-53 (including some who had been dismissed by the fascists) say that the morale of public servants is better than in the early postwar period, but is lower than in the prewar period. Some were certainly influenced by lingering fascist visions of imperial glory, but most have been affected by deterioration in economic status. For a journalistic picture of the "typical" elementary school teacher, see "Un esercito di centomila le maestre delle scuole italiane," *Il messaggero*, April 5, 1953, p. 3. A long, uncertain, and financially unrewarding career with the probability that four out of five of the more than 100,000 female elementary teachers will remain unmarried is the unfavorable side of the picture.

<sup>29</sup> Cf. Wallace S. Sayre and Herbert Kaufman, "Outline of a Suggested Method of Study of Comparative Administration," in *Report of a Conference on Comparative Administration* (Public Administration Clearing House, 1313 East 60th Street, Chicago, Illinois, 1952), Annex V.

<sup>30</sup> In February, 1953, CISL had twenty-five organizations of state employees.

# The Content of PAR, 1940-1952

WITH the Autumn, 1952, issue, *Public Administration Review* completed twelve years of publication. Beginning with one issue in 1940, the magazine has since been published regularly at quarterly intervals, thus making a total of 49 issues through the year 1952.

As the official journal of the American Society of Public Administration, the *Review* was established for the purpose of promoting "the exchange of ideas among public officials and students of administration." This journal was expected to cover both the theoretical and the practical phases of administration at all levels

NOTE: This analysis was prepared by Ernest A. Engelbert of the University of California at Los Angeles for presentation at the annual conference of the Western Governmental Research Association, Sacramento, California, October 24, 1952. A. M. Carnesciali, a graduate student in public administration, UCLA, assisted in the tabulations. Copies of the analysis were distributed to members of the Editorial Board of the *Review* prior to their meeting September 13, 1953, and the discussions of that meeting were largely concerned with the facts it revealed. The board thought the readers of the *Review* would share their interest in this analysis.

of government, national, state, local, and international. The sponsors hoped that it would help to integrate the increasingly diversified and specialized field of public administration and to extend the discipline's frontiers.

It would seem proper to try to assess how well the *Public Administration Review* has met the objectives for which it was established. The following paragraphs and tables summarize the contents of the *Review* through 1952.

From 1940 through 1952, the *Public Administration Review* published 326 articles, 181 reviews, and 5 miscellaneous pieces. These items and the news notes and indexes totaled 4,229 pages. There were 141 articles and 93 reviews, or approximately 47 per cent of the total, concerned with general aspects of public administration; 105 articles and 52 reviews, or approximately 30 per cent, concerned with line functions of government; and 80 articles and 36 reviews, or approximately 23 per cent, concerned with staff functions. (Table I) If the articles and book reviews are compared, it will be found that a slightly lower proportion

Table I  
Number of Articles and Book Reviews in the *Public Administration Review*, 1940-1952,  
by Level of Government and Type of Subject Matter

Level of Government	Articles			Book Reviews			Total
	General	Line	Staff	General	Line	Staff	
No specific level	55	4	18	43	13	13	146
National	34	63	38	13	14	9	171
State	12	7	3	3	4	1	30
Local							
General	2	2	2	2	1	0	9
City	1	1	5	4	2	4	17
County	2	0	0	2	0	0	4
Intergovernmental	6	11	2	3	6	0	28
Regional	4	2	1	5	1	1	14
Total	116	90	69	75	41	28	419
International	7	5	2	3	1	1	19
Foreign or Comparative							
General	7	5	4	10	5	4	35
National	6	4	5	3	4	3	25
Local	3	1	0	0	1	0	5
Intergovernmental	2	0	0	2	0	0	4
Total	25	15	11	18	11	8	88
Grand Total	141	105	80	93	52	36	507

of articles dealt with the general aspects of public administration, and a slightly higher proportion with line and staff functions.

Articles and reviews dealing with the national government made up 34 per cent of the total; those dealing with no specific level, 29 per cent. The next largest category of articles and reviews were those which dealt with foreign or comparative administration (13 per cent) and international administration (4 per cent), or a total of 17 per cent in the nondomestic field. State government registered about 6 per cent of the items, and local government, including county and city, about the same percentage. Approximately 9 per cent of the articles and reviews were devoted to intergovernmental and regional subjects.

An analysis of the content of the 234 articles and reviews dealing with general subjects of public administration shows that the most popular subjects were organization and reorganization (70 items), general public administration (68 items), and administrative theory (38 items). These three categories constituted 35 per cent of all articles and reviews in the 12-year period. (Table II) Approximately 4 per cent

other subject categories and were assigned to them. As might be expected, about half of the articles and reviews dealing with general subjects were not directed to any specific level of government.

The 157 line articles and reviews have dealt with twelve major functions of government. (Table III) Defense and protection accounted

Table III

Number of Line Articles and Book Reviews in the *Public Administration Review*, 1940-1952, by Function

Function	Articles	Book Reviews	Total
Defense and protection	52	17	69
Social welfare	14	8	22
Business and regulation	7	11	18
Foreign policy	9	1	10
Agriculture	6	1	7
Natural resources	2	5	7
Transportation	2	4	6
Public health	3	2	5
Taxation and finance	4	1	5
Education	2	2	4
Labor	3	0	3
Postal administration	1	0	1
Total	105	52	157

Table II

Number of General Articles and Book Reviews in the *Public Administration Review*, 1940-1952, by Subject Areas

Subject Area	Articles	Book Reviews	Total
Organization and reorganization	47	23	70
General public administration	30	38	68
Theory	23	15	38
Legislative-administrative relations	12	1	13
Biographies	9	4	13
Politics	6	2	8
Teaching and research	4	2	6
Chief executive	2	4	6
Legislatures	2	2	4
Miscellaneous	6	2	8
Total	141	93	234

of the total were devoted to legislatures and legislative-administrative relationships; 3 per cent were administrative biographies. Though this analysis shows only slightly more than 1 per cent of all items dealing with the chief executive, a number that dealt to some extent with the President, Governors, and other chief administrators were primarily concerned with

for 14 per cent of all items published in the *Review*, social welfare 4 per cent, business and regulation 3 per cent, and foreign policy 2 per cent. Only 38 items (7 per cent) were devoted to the major functions of agriculture, natural resources, transportation, public health, taxation and finance, education, labor, and postal administration. Nearly all of the articles and reviews dealing with defense and protection were concerned with national mobilization and the military services, a natural consequence of World War II and the postwar period; only 2 entries dealt with the police system and none with other protective services. The social welfare field was broadly covered with items on employment, unemployment compensation and relief, social insurance, housing, and veterans services. The field of natural resources had a better coverage than the field of agriculture; the 7 items on agriculture were concerned primarily with organization and marketing. The line phases of public finance were represented by 5 items, the staff phases by 19 items.

About three-fifths of the articles and nearly one-quarter of the reviews dealing with line functions were concerned with problems of



the national government. A fact of particular significance is the predominance of articles and reviews dealing with the organizational and procedural rather than the substantive aspects of line functions; approximately twice as many articles and reviews dealt with organizational and procedural matters as with policy issues. For the functions of defense and protection and foreign policy, the proportion of entries dealing with organizational and procedural problems was particularly high. Relatively more of the book reviews than of the articles were concerned with policy issues.

The majority of the articles and reviews concerned with staff functions dealt with three subjects: personnel (10 per cent of all items), fiscal (4 per cent), and planning (3 per cent). (Table IV) The staff functions of administra-

Table IV

Number of Staff Articles and Book Reviews in the  
*Public Administration Review*, 1940-1952, by  
Function

Function	Articles	Book Reviews	Total
Personnel	34	13	47
Fiscal	17	2	19
Planning	11	5	16
Administrative law	3	7	10
Research	1	6	7
Public relations	6	1	7
Executive office staff	6	0	6
Investigation & inspection	2	1	3
Legal	0	1	1
Total	80	36	116

tive law, research, public relations, the executive office staff, investigation and inspection, and legal constituted some 7 per cent of all items. Almost every phase of personnel administration received some attention. Various phases of the subject of budgeting constituted 14 of the 19 items in the fiscal category. The planning function was treated in 16 articles dealing almost equally with organizational considerations and substantive issues. As in the case of the line functions, a great proportion of the articles and reviews dealing with staff functions were concerned with the national level of government, though in the case of planning the majority dealt with local and inter-governmental problems.

A total of 394 different persons contributed the 507 articles and reviews which were pub-

lished during the 12-year period. Six persons made 4 or more contributions. All but 16 of the contributors were men; women contributed 17 articles and 1 review.

Of special interest is the type of employment of contributors at the time their contri-

Table V

Number of Authors of Articles and Reviews in the  
*Public Administration Review*, 1940-1952, by  
Type of Affiliation

Affiliation <sup>1</sup>	Number of Contributors
Academic institution	146
National government	145
Quasi-governmental agency	42
Foreign	17
State government	15
Business and consultant agencies	13
City government	8
International agency	6
County government	2

<sup>1</sup> Where an author contributed more than one item and was affiliated with different governmental levels or institutions at the time of making his contributions, the affiliation was chosen (1) for which the author was best known, or (2) with which he was identified when he made his major contribution to the *Review*.

butions were published. (Table V) There was almost an identical number of contributors from the teaching and administrative staffs of academic institutions and from the staffs of federal government agencies. These two categories composed 74 per cent of the contributors. Ten per cent of the contributors were employed with quasi-governmental agencies. State and local governments accounted for approximately 7 per cent of the contributors.

### Conclusions

A MORE exhaustive analysis of the contents of the *Public Administration Review* for the period 1940-52 might give additional useful information about the nature of the contributions. It would seem fair to draw the following conclusions from the data which were tabulated.

1. The *Public Administration Review* has on the whole done a remarkably good job in giving broad coverage to the entire field of public administration. That the *Review* has recognized its responsibility for dealing with subjects not normally given attention in the journals of the more specialized professional as-

sociations is reflected in the sizable number of articles which have dealt with such topics as general public administration, theory, organization, and reorganization. There has also been a good balance between line and staff subjects.

2. The *Review's* coverage with respect to levels of government has been somewhat uneven. Despite the fact that employees of the national government are the largest group in the Society's membership, the national level has perhaps been overemphasized at the expense of state and local government and administration. On the other hand, the *Review* has done fairly well with respect to intergovernmental and regional problems. It has also kept international, foreign, and comparative administration in good perspective, gradually increasing the number of articles in these fields in the postwar years.

3. The *Review's* approach to general subjects has been largely from the managerial point of view. The internal relationships of an agency's operation have been given more attention than the agency's external relationships and contacts with the political environment. There has been a dearth of attention to political factors which have been instrumental in shaping agency programs, such as the operation of interest groups and similar subjects. In particular, the *Review* does not seem to have focused enough upon the substantive problems of public policy.

4. The *Review's* coverage of line functions has been greatest for certain national government functions, such as defense and foreign policy, and for functions which have had tremendous growth in the last quarter century, such as social welfare and business regulation. Some of the older and more established government functions, such as education and the local government protective services, have been relatively neglected. There were likewise some great gaps in coverage, such as public works and institutional management. Though the *Review* has grown up with some of the newer functions, the older government services should not be considered as the exclusive prov-

ince of journals and professional groups which are identified with specific line functions. There is evidence to suggest that currently general public administration can make some of the greatest contributions in the old-line activities.

5. There was somewhat better over-all coverage of the staff services than of line functions, though the subject of personnel was perhaps proportionately overweighted. An area which should probably receive more attention in the future, in view of its increasing implications for public programs, is research policy and administration.

6. Some of the distribution of articles in the *Review* can be explained by the affiliations of the contributors. Academicians have helped to keep the *Review* focused upon broad, general issues. The large number of contributors from the national government can be explained to some extent by the fact that national administrative problems have been of absorbing interest during the period from 1940 to 1952. The small number of contributions, on the other hand, from state and local government officials probably indicates that few local administrators have had time or interest to write about their problems with sufficient perspective to be of general interest to the *Review's* readers. Nevertheless, with only 25 contributors from state and local governments, it is apparent that there is great need for increasing the contributions from personnel at those levels.

7. Any lack of balance in the *Review's* coverage is not attributable to any unrepresentative composition of the Editorial Board. There have been 6 editors-in-chief during the 12-year period and 39 board members. Though members from academic institutions and the national government have predominated, there have been several board members from state and local governmental units and quasi-governmental agencies. Also, several of the board members from academic institutions have been specialists in state and local government. Though the East and Midwest have had the largest representation on the board, the other regions have not been overlooked.

# Reviews of Books and Documents

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## Toward Statesmanship in City Building

By George Duggar, University of California, Berkeley

URBAN REDEVELOPMENT: PROBLEMS AND PRACTICES; THE FUTURE OF CITIES AND URBAN REDEVELOPMENT, edited by Coleman Woodbury. University of Chicago Press, 1953. Pp. 525, 764. \$7.50, \$9.00.

### I

**E**VEN though no investigating committee exists, so far as I know, charged with the responsibility to lay bare the clandestine connections of reviewers to authors, I wish to state at the start of this review that most of the authors are my pals, and that what I say here may be more the reflection of what they have convinced me of in past arguments than the mirror of my own detached observations. Such a review could resemble the authors talking to themselves—if they could agree on one rather brief statement on anything.

In putting my thoughts into shape for interpreting this major report, I have cut down and postponed to near the end the statement of my reactions to it as an expression of the art of communication in favor of a more lengthy discussion of it as a striving toward statesmanship in city building. Two thick volumes totalling almost 1,300 pages of prose, with only one small map, one chart, and no photograph or other figure of any kind, raise questions of art. As a devotee of the picture magazines and as one who likes to put his thoughts into fancy tables and "process diagrams," my reflexes were ready for quick reaction—too quick. Fortunately, they have now been seived through the filters of the large purpose and specific methods of the Urban Redevelopment Study.

At the outset, however, the very subject chosen for study raises another question of art. The study group insistently uses the phrase "urban redevelopment." The two major vol-

umes produced by the Urban Redevelopment Study are *Urban Redevelopment: Problems and Practices* and *The Future of Cities and Urban Redevelopment*. This will not raise the eyebrows of the realistic schools, since such subjects were the purpose for which the Spelman Fund granted funds to the Public Administration Clearing House for study. But praise from the realistic school may dissipate, and unexpected praise from the nonobjective school may be attracted, when the secrets are divulged that the volume on the *The Future* is the longer and that neither it nor *Problems and Practices* provides a manual of administrative practice in urban redevelopment. Instead, they present the second major American compendium of urban studies. Librarians should shelve these volumes alongside the work of the Urbanism Committee of the National Resources Committee. There are several reasons why the study did not limit itself to redevelopment operations. Besides other good reasons there is the fact that little could be made, when the study was undertaken, of the then "body of accumulated experience" in redevelopment. Indeed, even today redevelopment experience is chiefly experience with planning redevelopment, not with living in it. This statement had best be documented right now.

The chapter on "Slum Clearance and Urban Redevelopment" in the *Sixth Annual Report* of the Housing and Home Finance Agency (for the calendar year 1952) carries the history of the federal program to the end of the first three and one-half years under Title I of the Housing Act of 1949 and makes clear that redevelopment is still at an early stage. The opening paragraph, meant to give the most general perspective on the job to date, contains these revealing sentences: "Communities seeking to

participate in the program but *inexperienced* in large-scale slum clearance and redevelopment have been aided in finding solutions to the initial problems confronting them." Also, "1952 saw the *first* completions of the full cycle of planning operations and the progression into development operations of projects conceived wholly within the framework of the Title I program." (*Italics added.*) These are the words and here is the between-the-lines eloquence of an agency which knows it has a program still in infancy. The May issue of the agency's monthly publication, *Housing Statistics*, indicates this is still not the size of program the National Association of Real Estate Boards looked forward to when it said the acquisition of \$40 billion of urban properties (read \$80 billion in current dollars) would be required. At the close of 1952 the agency estimated that the 116 local projects which had been approved as far as providing funds for final planning would incur gross project costs of only \$393 million. Even in terms of the program of federal capital grants authorized under the 1949 legislation, now \$500 million, the estimated federal obligations of \$175 million incurred for such projects is not large. Of the localities actually at work on redevelopment on federally aided programs, 26 had approved projects, 20 had approved loans and/or grants, 6 had drawn on federal loan funds, and none had yet spent any capital grant funds by the end of 1952.

All this is not meant as criticism of the Housing and Home Finance Agency. These facts should help, however, in getting perspective on the nature of the present redevelopment process, to see that it is not huge and certainly is not yet a factor of major importance in the economy. Against this background the selection of subjects for detailed consideration by the Urban Redevelopment Study becomes more clear. It is early by the redevelopment clock and we may not be on the right road. The size of the program and its economic effects are not yet a major question.

A listing of subjects and authors is a necessary preliminary to the more detailed discussion of these volumes.

#### *Urban Redevelopment: Problems and Practices*

Measuring the Quality of Housing in Planning for Urban Redevelopment—Allan A. Twichell.

Urban Densities and Their Costs: An Exploration into the Economics of Population Densities and Urban Patterns—William H. Ludlow.

Private Covenants in Urban Redevelopment—Charles S. Ascher.

Urban Redevelopment Short of Clearance: Rehabilitation, Reconditioning, Conservation, and Code Enforcement in Local Programs—William L. Slayton.

Relocation of Families Displaced in Urban Redevelopment: Experience in Chicago—Jack Meltzer with the assistance of Sheila Orloff.

Eminent Domain in Acquiring Subdivision and Open Land in Redevelopment Programs: A Question of Public Use—Ira S. Robbins and Marian Perry Yankauer.

#### *The Future of Cities and Urban Redevelopment*

Essays on Redevelopment: Goals, Design, and Strategy—Catherine Bauer, G. Holmes Perkins, Henry S. Churchill, Robert C. Weinberg, Arthur B. Gallion, and Vernon De Mars.

Industrial Location and Urban Redevelopment—Coleman Woodbury with the assistance of Frank Cliffe.

Urban Redevelopment and the Urbanite—William L. Slayton and Richard Dewey.

Local Government Organization in Metropolitan Areas: Its Relation to Urban Redevelopment—Victor Jones.

The Background and Prospects of Urban Redevelopment in the United States—Coleman Woodbury.

The list of subjects shows that the Urban Redevelopment Study was not primarily concerned with national policy. Editor Woodbury's defense for not devoting more attention to current federal and state policies and programs is offered in his preface, where he admits such programs are "substantial" and "deserve analysis and review." But he emphasizes that the study is oriented chiefly toward questions which would occur to those concerned with the problems of a single urban area. While the study says much between the lines and here and there about national policy, it is best understood in its own terms of local and long-term concern. On those terms, how does it "add up"?

First of all, the principles for selection of subjects for these volumes are not given by



any one discipline. The whole approach of the study is insistently "interdisciplinary." Woodbury is explicit on this. He quotes Mannheim with agreement that "... every branch of science is expert, not merely at devising methods of studying certain provinces of life, but also at creating inhibitions and defense mechanisms which bar the way to a complete and adequate knowledge of society."

Woodbury has brought together not narrow specialists but people notably "generalist" about their specialties. These people are the kind who "overlap"—social scientists who insist on talking about aesthetic values or construction costs, architects who concern themselves largely with sociology, city planners and housers who beat the drums for anthropology, lawyers who are city planners and housers also or who teach political science, and Woodbury himself, who spreads himself competently over such subjects as industrial location, local government finance, morale, leadership, and the psychosomatics of cities.

Woodbury's approach allows one little time to pause over the cause, the trend, the form, or the purpose of cities. When his own concluding essay begins to become engrossed in any one aspect, he always pulls back, insisting that any single root of the matter is valuable only as it relates to the whole. As he introduces and reviews each chapter or part he points out how each nudges along the argument, but neither censors nor argues away inconsistencies.

If not held together by reference to a single disciple or an insistent individual point of view, how can these two volumes of contributions be interpreted other than as a collection of monographs mistakenly bound together? If the boundaries of the subject "urban redevelopment," broad as it is, have been stretched, what cements all this? This question is not easily answered, and in one or two places I think matters are included that go beyond what can be justified under any one rubric. A hint at answer is given in Woodbury's advocacy of strengthening "the weak places in the common line against urban ills." While he takes little time to prove that each part is actually concerned with "the weak places," I think most of those concerned with developing a strategy of urban growth will

agree that he has succeeded in putting his finger on a number of the major ones. I would cite all the parts of *Problems and Policies*, with the possible exception of the two chapters on surveys and on costs at varying densities. Surely some of the weakest aspects of urban redevelopment today are in redevelopment short of clearance, in relocation, in open land development, and in devices of land use control. To these must certainly be added the subjects postponed to the end of the volume on *The Future of Cities*—local government organization and finance, morale and leadership.

## II

**B**UT how can the assurance of the professionals that these are areas of critical weakness be rationalized and made clear for others? Part I of *The Future of Cities* is devoted to "goals and objectives" and is most pertinent. It is notable that for this section Woodbury turns to those who have distinguished themselves in association with design: Holmes Perkins, Henry Churchill, Robert Weinberg, Arthur Gallion, and Vernon De Mars, and Catherine Bauer. (Nobody has been able to figure out just what Catherine Bauer's specialty is, but in public housing, in city planning—and in her social capacity as wife of the distinguished dean of architecture at the University of California—her interest in and appreciation of design are obvious.) Are the goals and objectives of urban redevelopment to be found, then, in urban aesthetics? Certainly not entirely, as these authors are the first to declare.

The section on goals and objectives is witty, gay, and full of happy and sweeping statements. It is doubtful whether anyone can really climb high enough to get perspective on all these towering structures of generalization. But by lying on one's back and looking up one can see some of the peaks which are highest or bulk largest. Weinberg's message is exactly what an architect should say to end with a quotation from Ruskin declaring that the sight of the "edifices raised by man" may contribute to "his mental health, power, and pleasure." The others criticize too ordered or small-scale a design, too consistent, too de-

tailed, or too structural a visual pattern, and talk in terms of people and democracy.

De Mars breaks away from "developments" and "projects" and finds attraction in the hit-or-miss conversions of Georgetown and Telegraph Hill, the Casbah slum of Algiers, an Italian hill town, a Mexican village. While he applauds some of the examples of thoroughly "planned" areas, he finds planned shopping centers lacking in life and vitality and the banishment of advertising not an unmixed blessing. He suggests that the redesign and relocation of "street furniture" (typically poorly designed) could do much for the visual impression of cities within and without blighted areas. In general, I find De Mars's essay a challenge to the notion that wholly new, large-scale clearance and rebuilding would be visually attractive. His examples raise in specific and concrete form the question, what should we mean when we mouth the slogan of 1940: "redevelopment not by the square block but by the square mile?"

As I read them, each of the other essays on goals elaborates this theme. Henry Churchill asks "What Kind of Cities Do We Want?" While retaining his delightful light touch, he declares his faith that "the way out is not—if we wish to keep away from authoritarianism—to plan for averages. . . . We need variety and the experience variety brings, not formulas." Holmes Perkins echoes this declaration, saying that "variety and contrast are essential if the individual is to have true freedom in its deepest sense." And he urges that "we must plan for constant change."

Most sharply critical of widely prevailing notions of large-scale redevelopment are Gallion's comments. He sees little hope of "essential improvement in civic design" through such development. His argument is based on the observation that our "notion of an orderly arrangement of buildings and spaces" stems from "times, places, and conditions for which we share no affinity whatsoever. Our image of civic design is invariably projected from conditions when civic art was the property of Pharaohs, kings, or merchant princes. . . ." With this he launches into central issues of political theory. He attacks redevelopment projects because of the political tradition which he believes they would resurrect. He

urges that control of urban environment be "through the rules and regulations established by representative government." Gallion is unsurpassed in his denunciation of today's cities. But he insists that the democratic place to begin is with the standards required by law, not with grand "projects" in the autocratic tradition.

Here the issue is joined, for sure. Gallion sounds the call of the liberal tradition. Here is the political philosophy to accompany De Mars's tangible examples. Those who have dismissed physical development planning as raising no issues of political theory, please note.

Where is the progressive view to confound the liberal? Where the declaration that this is "horse and buggy stuff?" What would a more explicit statement of the progressive point of view offer? It would, of course, have to emphasize, as it always does, the machine and the industrial revolution. One example may be enough: the modern street and utility network is the expression, on the urban landscape, of the machine.

For the liberal political philosophy of urbanism the street and utility system is a nuisance. Concretely, it poses the question, how does individual action under general law replace the unworkable layout so often created at the junction of individualistic subdivisions? How, when ownership of the land is scattered to the four corners of the earth (as is typical of so many of the "dead" subdivisions created of yesterday's speculation)? Land is useful and "redevelopment" can be individualistic where topography or history has created the interestingly chaotic street system of a Telegraph Hill or a Casbah. But where subdivision has created dead land on a skeleton of dead streets, what then? Are not the liberal constitution-makers of urbanism forced to grant that, in addition to the powers of individuals, government, too, must have its powers of redesign of streets, its navigation and interstate commerce clauses as it were?

Perhaps in the second half of Catherine Bauer's essay, after she has finished her effective negative argument that you mustn't clear slums in times of acute housing shortage, is the clearest expression among the goals essays urging initiative and leadership by govern-

ment. Government is made the vehicle for reform on many fronts, including race relations. The true progressive point of view envisions urban rebuilding as posing a "major test for the whole principle of democratic planning: can common sense, enlightened co-operation, and trained foresight actually do a job that otherwise requires total control from the top down?" If this second half of her essay is taken as a statement of the "progressive" philosophy, there is no inconsistency with the first half. The argument for using urban redevelopment powers on open land instead of in slums makes sense to the philosophical progressive for various reasons: the "opportunity" to show progress and to use the familiar tools of public action, and to do all this free of complex established social and visual relationships (characteristic of built-up areas—and so dear to liberals).

Once it is established in the essays on goals and objectives that even local aspects of physical development involve political philosophy, the plan of *The Future of Cities* may become more clear. To me, at least, the subsequent sections on "Industrial Location," "The Urbanite," and "Local Government Organization in Metropolitan Areas," together with Woodbury's concluding essay on organization, finance, morale, and leadership in urban affairs, fall into place, covering essential elements in the art of urban statesmanship.

These four sections are long and thorough. Two of them run to 185 pages and the others to 150 and 125. Justice cannot be done them here. "Urban Redevelopment and the Urbanite" is described by the editor as "the problem child" of the whole study. But it may serve as one of the most immediately useful reference monographs because of its systematic presentation of the largely fugitive results of local studies of needs, desires, attitudes, and community organization in urban areas. It is obvious, however, that this field is just beginning to be ploughed. The monograph is only a first crop; it may spoil with storage.

It could not be hoped that even Victor Jones could find new order in the Balkanized provinces of metropolitan areas. He doesn't. After discussing the metropolitan community and metropolitan problems, Jones devotes a chapter each to annexation, special districts and

authorities, and federated forms of metropolitan government, giving some emphasis to proposals for reorganized county government in the form of a federated organization.

"Industrial Location and Urban Redevelopment," by the editor with the assistance of Frank Cliffe, is heavy, factual, and comprehensive. The contrast of its method and style with the essays on goals and objectives which immediately precede it points up the amazing "change of pace" in these volumes. The monograph states the thesis that the location of industries within a metropolitan area is one of the chief factors in determining its overall structure and land-use pattern, and thus the scope and nature of redevelopment programs. The subject is given perhaps more emphasis than most readers will find appropriate in such a volume, and Woodbury is a little defensive about this in his introduction. But it may serve to confound both liberal and progressive political philosophies, reminding one that many of the major things that happen to urban areas are done swiftly and decisively by corporate groups with minimal public debate concerning public costs and benefits, and reminding the other that this private initiative must either be predicted or brought into close relationship when public agencies also attempt initiative in large-scale development.

### III

IF WE would step down from the discussion of the major elements in urban statesmanship to the techniques of administration we must look to the *Problems and Practices* volume. Creation of an economic product, preservation of the values intended to be created by the process of redevelopment, and humane relocation of site occupants are three of the objectives of redevelopment. The study devotes a section to some techniques for accomplishing each.

The problems of achieving an economic site from blighted areas or blighting beginnings are discussed by Ludlow in terms of the densities which should be planned for in supplying redeveloped land. He attempts no analysis of benefits and thus does not pursue the demand side of the traditional approach of economics, but there seems to be a sort of

non-Euclidean (or perhaps the adjective is non-Marshallian) economics which achieves rounded economic analysis by pressing very far in the direction of either supply costs or demand prices alone. In any case Ludlow diligently pursues the question of how, by varying density patterns, there may be achieved reduction in construction costs, rental "costs," costs of public services, costs of industrial or other alternative land uses, costs of operating the transportation network, and other general economic and social disadvantages. While the relation of construction costs to rentals is merely touched upon, and the study frankly becomes more and more vague as it pursues more and more general questions, it is undoubtedly the current restatement of the relation of densities to costs. But its chief message is that more research is needed.

Ascher's monograph on private covenants is a clear-cut technical contribution. The author of *Better Cities*, who showed in that brief pamphlet great capacity for enthusiastic and persuasive avowal of a broad policy program in urban redevelopment, here wears the flat hat of the legal scholar with solemn and dignified demeanor. His objective is to assess the usefulness of covenants in enhancing and preserving over long periods the values created by a well-planned development. The accumulated legal experience of Britain and the United States and the rounded experience at Radburn, New Jersey, are described. The conclusions are cautious and measured. The author reminds one that redevelopment under the Housing Act of 1949 is limited in its machinery of control to the mechanisms of conveyance, and that, in longer perspective, these may prove less suited to the objectives than, say, rules and regulations given the force of ordinances by public authority.

The Chicago experience in relocation is not wholly a happy one but, as related by Meltzer and Orloff, it is most instructive. They note that many of the problems attributed to relocation are "actually problems arising out of precipitous and hit-or-miss redevelopment." The great debt which urban strategy already owes to redevelopment is emphasized by the conclusion that:

In large measure, relocation has forced an extension of our horizons to include the human be-

ing in question—not simply in a conception of things as they might be, but in terms of the realities of bringing about changes in a community of human beings, institutions, politicians, businessmen, and others who, for a variety of reasons, resist most forms of change. . . .

One redevelopment director of my acquaintance has put the matter more bluntly: "If you don't make a place for the cork to go the bottle itself will break."

This monograph, perhaps more than any other part of the Urban Redevelopment Study, is sobering. It underlines the need for realistic variation in the type, scale, and mode of redevelopment and, if read by the right senators, congressmen, and economic advisers, could explode the balloon that we are ready to use the redevelopment of slums as a major device of counter-cyclical economic policy.

Methods for planning a coordinated development strategy in an urban area are receiving more and more attention in city planning, housing, urban redevelopment, and public health publications. The need for a set of priorities is obvious, especially in the light of the difficulties the study indicates beset a program in relocating, achieving an economic product, and preserving its values. Allan Twichell's report on measuring the quality of housing examines the survey techniques which help to limit and classify the problems and appropriate methods. Much of the monograph is not new, as much of Twichell's work has been made available in the publications of the American Public Health Association. But the monograph is more specific than the previous literature in indicating what survey scores indicate the need for clearance rather than some measure short of clearance. Also, Twichell explicitly notes that blight may occur in nonresidential areas and that "little has been done on a technical level to identify and define the elements that constitute nonresidential blight, to develop systematic means for observing and describing such blight, or to supply objective measures of its seriousness."

The degree of blight has much to do with the mode of redevelopment. Slayton's monograph on redevelopment short of clearance shows on the basis of experience to date how to select the appropriate mode and how to coordinate clearance and other operations.



Though broad in scope, the monograph is clearly limited to the pathology of cities. General planning is not discussed, zoning and subdivision control is only sketchily described, and the problems of open land and predominantly open land are only briefly mentioned.

Slayton makes admirable use of the record of experience in Baltimore, Milwaukee, Chicago, and Kansas City. His material is organized strictly in terms of the degree of blight and type of substantive action required, but it lends itself also to analysis in terms of administrative theory. The problems of concentrating responsibility and allocating authority, the problems of evolving general standards permitting delegation, the opportunities for concentrating responsibility for judicial interpretation in specialized courts are in point, and redevelopment itself may be interpreted as the type of action required in that relatively rare situation where the problems or opportunities are so great and the implications so important that concentrated top-level effort is required. Slayton does not pursue the implications of such an administrative analysis, however. Neither here nor elsewhere in the two volumes are the questions of relationships between all the local public agencies for development fully discussed, and the lack of attention to the relations of fiscal and general physical planning agencies is only partly made up in Woodbury's concluding essay. Omission of the evolution of federal policy from the study has meant omission of the protracted controversy over whether a redevelopment agency with a program of its own was necessary or whether a land disposition agency would give local planning commissions the necessary help.

Slayton advocates attention to open and predominantly open land problems but is not able to bring to bear any pertinent experience. It is in the development of such areas, however, that urban redevelopment may offer a tool of rapidly growing importance, providing the courts find its exercise there constitutional. Slayton notes the great public stake in land subdivision and the likelihood that some builders would welcome the production of building sites by public action, leaving them to their main business of building. But surely there are also builders who expect to take

most of their profit in the form of land value increments and to use them as their equity in financing construction.

Also, local government, under a tax system which emphasizes the ad valorem tax, divides its interest between a desire for high quality and properly located subdivision and its interest in cashing in on speculative possibilities through the prompt assessment of former acreage as building lots and buildings. Until reform of the tax laws or more persuasive arguments convince city and county fathers of the great expense of hurried subdivision and construction, one may doubt that much can be expected from handing subdivision initiative from avid private parties to enthusiastic public ones. Nor does this reviewer see much hope that redevelopment agencies operating within such jurisdictions and wholly dependent upon their approval will depart far from this pattern. Of course, if redevelopment agencies were truly metropolitan-wide in jurisdiction their motivations might be quite different.

The issue, of course, concerns the proper location and timing of development. Even while some present policies tend to bring more of the wrong land sooner into development, others tend to hold back development of the right land. Robbins and Yankauer, in their section on eminent domain in acquiring subdivision and open land, are concerned with the latter problem. In addition to a legal brief they present social and economic material. Most of their evidence pertains to "dead" subdivisions, although some is concerned with other vacant land. They show how nonuse may increase cost of other convenient land, deprive workers of convenient residential locations, cheapen or increase the density of such buildings as are constructed, generally prevent relief of critical housing needs, encourage tax delinquency, create waste in municipal services and increase cost in extending them, and prematurely spread population far out into areas not prepared to control or absorb development.

Whether too soon or too late, too much or too little land is subdivided, the pattern of subdivision and construction today is obviously largely planless. The resentments which are building up as this process rushes ahead

in boom-time sprawl are gradually thrusting the problem to the political level. The strategy which could channel this resentment to evolve constructive reforms is, of course, not given emphasis in this study of redevelopment. In my crystal ball, however, it says that future regard for the Urban Redevelopment Study will rest heavily on the contributions it has made directly and indirectly to this larger strategy of urban development.

#### IV

**B**EFORE closing with a little more discussion of Woodbury's own concluding essay, a note on style is appropriate. First, the editor is to be congratulated for the neatly diplomatic way he has avoided answering the question: which is more important—general principles, or operating problems and practices? He assigns one volume to each and then slyly avoids saying which is volume one, even though they were released together. Each acknowledges the other, and both contain an identical formal dedication to the late Charles E. Merriam and an almost identical preface.

As for my objections, voiced earlier, concerning paucity of illustrations, I must admit there is one compensating advantage. While I remain convinced that the section on industrial location, for instance, is much more difficult to grasp because of this lack, the consistent prose form emphasizes that these volumes are not intended primarily as an argument, as a brief, or as a way of making available for the first time the latest research product. It is a form which says that these are essays, merely. Here are discussed the general principles which need to be understood and the general trends of investigations which are likely to be most pertinent.

The form is particularly appropriate to Woodbury's own personal message. He has assumed "that the physical remaking of our cities is such a drastic and far-reaching operation that it can be successful only as one part

of an advance on a much broader front in urban life." He believes that all the connections which tie reform of the physical equipment of a city to the basic needs, aspirations, and attitudes of its residents are not yet known but that they are many and pervasive. He states his conviction that among the ills of urban communities one should put first the "weakening of group ties and value systems" and only then add "blighted areas."

His approach is tolerant and tentative. It is most effective in holding back anyone who wants to ride redevelopment as a hobbyhorse pell-mell to disaster in the name of some fad of sociology, finance, architecture, or what not. The form appropriate for such an approach is the essay, not the formula with accompanying graph.

In Woodbury's approach, also, is the explanation of the great breadth of the study and of its publication in two large volumes rather than *seriatim* as separate monographs and essays. Even after he has gathered together the work of eighteen other authors, he finds it necessary to devote much of his concluding essay to topics they have "largely passed by." He competently proceeds to discuss metropolitanism, social heterogeneity, urban planning, local government, organizations for the improvement of local government, representation, leadership, and morale. He seeks an urban strategy which will use the findings of research in these and the other fields covered in the study effectively to reduce group antagonisms and distrust, citizen indifference, and to raise morale and the level of leadership. He concludes that:

The development of a valid, revitalized system of commonly understood and accepted beliefs and values is the crucial task of urban communities over the next generation or so. If the job can be done even moderately well, it will open the door for the making of physical, economic, political, and social cities that realize at least some of the potentialities of our highly developed technical competence.

## Organizing for River Basin Development

By Hubert Marshall, Stanford University

MISSOURI: LAND AND WATER. The Report of the Missouri Basin Survey Commission. Government Printing Office, 1953. Pp. 295. \$1.75.

How to organize for resources conservation and river basin development has for years been one of the most persistent and perplexing problems facing the federal government. The Tennessee Valley Authority is the only major innovation that has ever been made in the established pattern of river basin development; in all other cases the authorized program has been divided among numerous resource agencies, each with its own philosophy and program. This lack of integration in the executive branch is matched by that in Congress where not fewer than six committees have jurisdiction over major segments of the resources program. The result has been a kind of Gresham's law which clothes inconsistent policies and irrational administrative arrangements with great survival value despite the criticisms which are made whenever they are seriously studied. Moreover, it is increasingly clear that centrifugal forces in the executive branch, engendered largely by the political power of its operating bureaus, make it nearly impossible for reorganization plans to receive serious consideration in the Executive Office. At the same time, the dispersion of authority in Congress makes it unlikely that a unified water policy or a plan for administrative reorganization will emerge from that body until such time as Congress reorganizes its own procedures for reviewing the government's resources program.

Despite the discouraging prospects for administrative reorganization and the rationalization of inconsistent policies, there has been no lack of competent studies in the field. Resources policy and administrative organization have been scrutinized by at least four separate commissions in the last fifteen years. The President's Committee on Administrative Management in 1938 recommended a department of conservation with jurisdiction over the federal government's land, water, forest, and minerals programs. The Hoover Commission Task Force, after intensive study, proposed a depart-

ment of natural resources with similar jurisdiction. While the commission itself split three ways on the question of organization, nine of the twelve members agreed that civil functions of the Corps of Engineers should be transferred to the Department of the Interior. Two years later, the President's Water Resources Policy Commission (Cooke Commission), precluded by its charter from considering organizational issues, was ultimately compelled to consider them after recognizing that its policy recommendations could be translated into action only if changes were made in the present organization of water resources activities. It referred favorably to the Hoover Commission *minority* position of Acheson, Pollock, and Rowe and mentioned valley authorities and river basin commissions as alternatives. Commissions were to consist of agency representatives and an independent chairman appointed by the President; they were to have general planning and budgetary authority for each of the country's major basin areas. More recently, the President's Materials Policy Commission (Paley Commission), in connection with its water resources studies, noted the need for greater integration in the federal program and endorsed the majority recommendation of the Hoover Commission for an impartial board of review to appraise the benefits and costs of proposed development projects.

### I

Now, twenty years and four survey commissions after the TVA innovation, we have another report. One can only hope it will have more impact than its predecessors.

The Missouri Basin Survey Commission was created by President Truman after the most destructive flood in United States history swept through Kansas City in the summer of 1951. In his instructions to the commission the President noted that there had been no reconsideration of the plans for flood control, irrigation, navigation, and hydroelectric power development in the Missouri Basin since Congress authorized the Pick-Sloan Plan in 1944.

In the intervening period the Department of Agriculture had submitted to Congress a program for the conservation of the land resources of the basin which called for the expenditure of more than eight billion dollars. He might have mentioned also the persistent criticism directed at the basin program and his own unsuccessful efforts in behalf of a valley authority. The scope of the commission's inquiry, as defined by the President, was both broader and narrower than its predecessors; it was free to study questions of organization as well as policy and program, but its jurisdiction was restricted areally to the Missouri Basin. The commission members, drawn with one exception from the basin itself, included six members of Congress and five representatives of various basin interests. Its chairman was James E. Lawrence, editor of the *Lincoln Star*.

The commission's report illustrates dramatically the political ramifications of administrative reorganization and demonstrates how political forces and the march of events can narrow the scope of effective choice until the remaining alternatives leave little to choose from in terms of workable solutions. The commission's findings confirm those of the Hoover Commission Task Force report: the basin's comprehensive and orderly development is threatened by the uncoordinated programs of competing agencies with different philosophies and different objectives.

A few examples should suffice. Ten years after authorization of the Pick-Sloan Plan, the Corps of Engineers and the Bureau of Reclamation each takes the position that it has been authorized to allocate costs on the six main-stem dams, and each has done so. These dams, constituting the heart of the Pick-Sloan Plan, are authorized for the corps and five of them are in varying stages of construction. Some are far enough along so that power is being produced and flood control and irrigation benefits are being realized. Although constructed by the corps, the bureau by law will market power produced by these dams and will distribute the irrigation water which they will store. Under existing federal law, costs allocated to power and irrigation are reimbursable and must be returned to the federal government by power and water users, while costs allocated to flood control and navigation are nonreimbursable

and hence constitute a 100 per cent subsidy from the government.

The bureau, reflecting its jurisdiction over irrigation and power marketing and its orientation toward irrigators and power consumers, allocated 344 million dollars to these functions, whereas the corps allocated 831 million dollars. To navigation and flood control the corps allocated 279 million dollars in contrast to the bureau's 769 million dollars. In other words, the reimbursable account will be nearly one-half billion dollars larger or smaller, depending upon which allocation is eventually used, unless some kind of compromise is ultimately worked out. The bureau says it must allocate costs because it is responsible for collecting the reimbursable account; the corps insists upon allocating costs because of its role as the construction agency. Clearly, however, each agency is attempting to unload a major share of project costs upon the other. In addition, there is a check for 400 million dollars, representing interest during construction, which neither agency is willing to pick up.

Adding to the confusion is the contention of the Federal Power Commission that by law it must approve rates charged by the bureau for power generated at the corps' main-stem dams. The FPC's jurisdiction over power rates is not recognized by the bureau which has published temporary rates for power without filing them with FPC. In the view of the Missouri Basin Survey Commission these struggles over cost allocations and rates are likely to result in only partial reimbursement of the federal investment in power and irrigation facilities.

Nor has the Department of Agriculture remained aloof from the basin struggle. Its basin program for soil conservation and watershed management was first greeted enthusiastically by the corps and bureau, only to be opposed as inadequately justified and invading the jurisdiction of the corps when authorization was sought from Congress. In small watersheds where the corps and the department have attempted to draft coordinated plans for flood control their efforts have "failed because the agencies had dissimilar purposes, dissimilar budgets, and dissimilar methods."

In 1945, the Missouri Basin Inter-Agency Committee, presently composed of the ten basin Governors and representatives of the six



major federal departments and agencies in the resources field, was created to fill the need for continuing coordination of the basin program. The commission is critical of its accomplishments, holding that an analysis of the committee's authority, staff, and resources should have foretold its failure to meet the needs of comprehensive planning and the adjustment of agency conflicts. The committee has no legal status and therefore functions on a voluntary basis. It depends upon contributions from its member agencies for funds and staff, and since unanimous agreement is required each member has a veto. As a result, the committee has been unequal to its task when confronted with genuine policy conflicts. A number of unresolved policy conflicts have never been taken to the Inter-Agency Committee, and in other cases where controversial issues were raised the agencies directly concerned denied that any difficulty existed.

The commission was unanimous in finding that there are major deficiencies inherent in federal administrative arrangements for resources development and in agreeing upon the need for a central organization to direct and coordinate the basin program. The central organization would not supplant the functions of existing federal agencies, but would coordinate their efforts in the interests of unifying and rationalizing the basin's development.

## II

WITHOUT saying so explicitly, the commission found also that the range of alternatives has become limited with the passage of time. A valley authority, the commission agreed, could solve the problem of unified direction of the resources program, but is widely opposed in the basin and is no longer a realistic alternative. Even Senator Murray, the commission's most ardent advocate of an MVA, concurred in this view. A department of natural resources received even less consideration. Such a solution would do little to reconcile the conflicts between Agriculture's watershed program and the dam-building agencies. Moreover, no President in recent years has been willing to assume the political risks inherent in challenging the autonomous position of the Corps of Engineers, and the commission in its

seventeen public hearings in the basin was confronted with ardent support for existing construction agencies.

The commission, moreover, was forced to recognize that a new issue—the role of the states in resources conservation and river basin development—demanded recognition and rendered obsolete or at least less appropriate the traditional formulas for river basin organization. In its public hearings throughout the basin the commission encountered a strong desire for local representation in managing and directing the basin program. More than anything else this desire to have the states play a more positive role in the scheme of things dominated the commission's hearings. The commission was unanimous in agreeing that the states should have an expanded role in the basin program.

Yet the role of the states proved to be the commission's most troublesome problem and it was on the question of *how* the states should participate that the commission encountered its only major dissent. A minority of three, including Senator Milton Young and Congressman Clifford Hope, insisted that the states should not be relegated to an advisory role, which they characterized as merely an empty right to be heard. Perhaps the minority view is best summed up in its declaration that "in making decisions the will of the people can be made effective only through their State representatives taking part as voting members of the coordinating agency." The coordinating agency, in the minority's conception of things, should constitute an organic fusion of federal and state powers, established by a compact to which each of the ten basin states and the federal government would be parties. The minority, however, gives little clue to the exact nature of the organization it favors, although presumably it would be a compact commission on which both the federal government and the states would be represented. The federal-state division of voting power and the exact powers to be exercised by the compact commission would be left to negotiations between the states and the federal government, although the minority clearly desires an agency with enough authority to provide effective guidance and direction to the development program. From the vagueness of its proposal, however, it is clear

that the minority was unable to visualize exactly how its federal-state coordinating agency would be organized or how it would function. In this respect, the minority foundered on the same shoal as have all others who sought to formulate blueprints for the fusion of federal and state powers in agencies which would have major operating and managerial responsibilities.

The majority's analysis of the compact proposal is incisively critical. The compact commission would inevitably create confusion and division of authority because it would mean in effect that state officers serving on the commission would exercise administrative supervision over agencies and officers appointed by and responsible to the federal government. In a more general sense it would violate the democratic principle that the instrumentalities of government must be held accountable for their actions. Its responsibility would be diffused broadly among ten Governors and the President; the commission as a whole would be responsible to no one.

Then, too, there is the related connection between financial responsibility and control. The federal government is supplying 70 per cent of the funds for the basin program; private interests will assume most of the remaining costs, largely in the form of soil conservation improvements, whereas the states will bear only a fraction. In the majority's view this means that the federal government has an obligation to retain control to see that the program is administered in the national as well as the regional interest. Significantly, neither the minority nor most of those who urged greater state participation at the commission's public hearings proposed seriously that the states could or should assume a substantially greater proportion of the financial burden.

At several other points the majority returns to this idea of the national interest in the basin program. This follows from the importance of the basin in the nation's economy and from the fact that no other level of government can successfully adjust diverse and often conflicting state and sectional interests and articulate those interests with national needs. Thus the basic split in the commission reflects Hamiltonian and Jeffersonian conflicts which have characterized so much of our history. In con-

cluding, the majority notes also the constitutional issues raised by a merger of federal and state powers and the likelihood that it would be some years before all the basin states would ratify this or any other compact.

The majority, like the minority, would permit existing construction agencies to continue operations in the basin, but would subject them to coordination by a river basin commission with authority to plan and execute an integrated program of basin development. The majority's commission would be composed of five full-time members appointed by the President for overlapping terms of nine years. It would be bipartisan, its members would be residents of the basin, and it would have its own staff. The commission would be charged with preparing a comprehensive program for the development of the land, water, forest, mineral, wildlife, and recreational resources of the basin. It would review the plans of existing federal and state agencies, but in the future all federal investigations and planning activity would be supervised by the commission, all project proposals would be reviewed under its direction, and requests for project authorizations would be transmitted to Congress only through the commission and the established channels of review in the Executive Office of the President.

As part of its general planning and programming authority the commission would prepare annually a consolidated basin resources budget, broken down into separate appropriations for basic data, planning, construction, and operations. On the operating side, its functions would be equally impressive. It would exercise central control over river operations and power dispatching, establish and apply standards for project evaluation, allocate costs, set power rates, develop cost sharing policies, and enter into contracts with water and power users. The majority proposal is clearly a Missouri Valley Authority which would contract out its operating functions to the bureaus and agencies already at work in the basin.

The majority's concessions to the pressure for greater state participation in the basin program are extensive. The commission, in the majority's view, should utilize to the fullest extent the services of state resource agencies and educational institutions in much the same way

that it would utilize the operating services of the existing federal bureaus. It might make funds available to the states to encourage their participation in the basin program. The Governors of the Missouri Basin states would constitute an advisory committee to consult with the commission on policies, programs, and operating procedures. Finally, within two years after the enactment of legislation creating the commission, the majority would permit any state, by legislative action, to decline to consent to the functioning of the commission in that state. We are thus faced with the prospect of having the commission operate in part of the basin while the existing bureaus continue to operate, as before, in the remaining states.

The weaknesses of the majority position are not hard to find. It would create a schizophrenic situation in which operating officials, recruited by and responsible to bureau chiefs in Washington, would at the same time be working under the immediate supervision of the commission. Surely we have had enough experience with dual supervision to indicate the folly of such arrangements. Moreover, it is impossible to see how nine-year overlapping terms can be squared with the requirement of responsible government. Finally, there is every reason to suppose that the operating bureaus, if allowed to remain in the basin, would not readily abdicate their control of policy and program to a new commission. The reciprocal lines of influence from bureau to clientele and Congress and from Congress to bureau and clientele cannot be wished away, nor should our experience in this field lead us to underestimate the power of the interests that are served by the policies presently governing the basin's development. As long as the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture are permitted to operate in the basin, it is my judgment that their views, conveyed informally perhaps, will carry such weight in Congress as to challenge the commission's control over the basin program.

Perhaps the greatest contribution of the Missouri Basin Survey Commission is to have explored the alternatives to an MVA and a Department of Natural Resources and to have shown the problems inherent in any other form of organization. Unfortunately the com-

mission's recommendations bring us no closer to a workable solution; indeed, their concessions to the operating bureaus and the states may well come to be known as the new Missouri Compromise. Yet the need for rationalizing our organizational arrangements for natural resources development is as great as ever. Interagency survey teams are currently working on proposals for development of the New England-New York area and the basins of the Arkansas, Red, and White Rivers to the south of the Missouri Basin. In the latter, at least, the agencies are as far from agreement as ever. The corps questions the claims made on behalf of Agriculture's watershed program; Interior is alone in insisting upon its method of project evaluation; serious question has been raised as to the value of the corps' navigation program; and the corps is unwilling to permit other agencies to evaluate the need for or the benefits to be derived from projects for which it has already received authorizations. These and other issues still divide the agencies after nearly three years of continuous effort and the expenditure of eight million dollars on planning and data collection. At this writing it appears unlikely that the agencies will be able to agree upon an integrated program for the area's development. The Congress is thus likely to be placed in its usual position of having to reach decisions on projects on which the agencies themselves are in disagreement. Nor are the stakes small: the corps' proposed navigation project on the Arkansas River alone would cost 1.2 billion dollars to complete.

Perhaps one can be pardoned a certain amount of pessimism in view of the fact that so little progress has been made despite the TVA example and the thoughtful reports of five successive commissions. One is irresistibly reminded, perhaps a bit nostalgically, of the kind of world in which Alice had her adventures.

Alice looked round her in great surprise. "Why, I do believe we've been under this tree the whole time! Everything's just as it was! . . . in our country," said Alice, still panting a little, "you'd generally get to somewhere else—if you ran very fast for a long time as we've been doing."

"A slow sort of country!" said the Queen. "Now, here, you see, it takes all the running you can do, to keep in the same place."

## III

MUCH less than half the commission's report deals with organizational questions in the narrower sense. Its forty-three chapters range from an excellent discussion of the physical problems of flood control to the intricacies of cost allocation and the explosive issue of Reclamation's 160-acre limitation. The commission's many recommendations, supported unanimously with only one exception, are refreshingly candid. To cite only a few examples: the corps' 9-foot navigation channel to Sioux City is criticized as being too costly in relation to prospective benefits; the need for more steam power, either public or private, is emphasized; revision of the mining laws, opposed by much of the industry, is endorsed; and flood plain zoning is singled out as a less costly alternative to major flood control works under certain circumstances.

The commission's findings on the role of the states in resources conservation will be of particular interest to political scientists. On the whole the picture is not reassuring. The states generally lack central planning agencies and integrated state departments of conservation. The effectiveness of their programs varies widely. Most of the states, for example, have active programs for the conservation of game and fish; little has been done, on the other hand, to control water pollution over much of

the basin. Indeed, the commission found that only 15 per cent of the basin population is served by adequate treatment facilities and virtually all of the larger urban centers on the lower Missouri River discharge raw sewage directly into the stream; yet water pollution control is regarded as a state responsibility. Of all the basin states, only Montana is active in constructing small irrigation projects. The commission's forthright recommendations dealing with state programs and policies provide a challenge to the states and at the same time invite doubts as to how well prepared the states really are to participate effectively in the federal basin program.

Much of the report will be criticized, for the commission's recommendations step on many toes. From the scholarly point of view, the report leaves much to be desired since the commission's recommendations do not always flow from premises made explicit in the report. Rather, its approach is pragmatic and its recommendations reflect the common-sense judgment of a group of serious congressmen and civic leaders, tempered by the analysis of professional staff. The commission, however, has made a significant contribution by its recognition of the political complexities which beset practical action in this field and by its exploration of the alternatives to conventional proposals for natural resources reorganization.

## UN Technical Assistance Program in Public Administration

... Among its objectives, the promotion and improvement of regional and national training systems has replaced the idea of an international training centre. Direct expert assistance in public administration to Member Governments, though still in its inception, seems gradually to be becoming more important. Once the advantage of an integrated treatment of the problem, including the administration of economic and social welfare services, is more fully recognized, the demand in this direction may grow considerably. In many instances it seems clear that only such an integral improvement of the public services of a country can guarantee the enduring effectiveness of technical assistance rendered in economic development and social welfare. Fellowships and scholarships should more and more be directly related to technical assistance projects. The conference, seminar or workshop technique should be used particularly for the treatment of problems of direct importance for under-developed countries. . . .  
—*Technical Assistance in Public Administration; Report by the Secretary-General*, UN document E/2415, 1 May 1953, p. 10.



# Contemporary Topics

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## New Reorganization Commission

Members of the new twelve-man Commission on Organization of the Executive Branch of the Government were sworn in at the White House on September 29. At an organization meeting held immediately after, former President Herbert Hoover was elected chairman, and the following staff appointments were approved: John Hollister, executive director; Francis P. Brassor, executive secretary; and Harold Metz, director of research. Mr. Hollister, a member of the law firm of Taft, Stettinius, and Hollister, represented the 1st Ohio District in Congress from 1931 to 1937. Mr. Brassor, former chief of management services of the U.S. Civil Service Commission, was executive secretary of the first Hoover Commission. Mr. Metz, formerly of the Brookings Institution, was also a member of the staff of the earlier commission.

Appointments to the commission were made in accordance with specific provisions written into the authorizing legislation to insure representation from Congress, the Executive Branch, and the public. Unlike the Lodge-Brown Act of 1947 which established the first commission, the bill introduced this year by Senator Homer Ferguson of Michigan and Congressman Clarence J. Brown of Ohio did not require appointment of an equal number of Democrats and Republicans but appointments generally followed this pattern.

President Eisenhower, authorized to appoint two officials of the Executive Branch and two private citizens, named Herbert Brownell, Jr., Attorney General of the United States; Arthur S. Flemming, director of the Office of Defense Mobilization; Mr. Hoover; and former Postmaster General James A. Farley.

Vice President Nixon, authorized as President of the Senate to appoint two members of the Senate and two private citizens, named Senator Ferguson, coauthor of the legislation

establishing the commission; Senator John D. McClellan, Democrat, of Arkansas; Solomon C. Hollister, dean, Cornell University School of Civil Engineering; and Robert G. Storey, dean, Southern Methodist University School of Law.

Speaker of the House Joseph W. Martin, authorized to appoint two members of Congress and two private citizens, named Congressman Brown, coauthor of the bill; Representative Chet Holifield, Democrat, California; Sidney A. Mitchell, national chairman of the Citizens Committee for the Hoover Report; and Joseph P. Kennedy, former Ambassador to Great Britain.

Five of these appointees were members of the first Hoover Commission—Messrs. Brown, Flemming, Hoover, Kennedy, and McClellan. Mr. Sidney Mitchell was its executive director.

The commission is required to submit a comprehensive report of its activities and the results of its studies to the Congress on or before December 31, 1954. Its final report is to be made not later than May 31, 1955, at which date the commission ceases to exist. The final report of the commission may propose such constitutional amendments, legislative enactments, and administrative actions as in its judgment are necessary to carry out its recommendations.

The authority of the new commission is considerably broader than that of the 1947 commission which was directed to make recommendations designed to improve existing organization. This authority has been extended with respect to the 1953 commission to include recommendations regarding the possible abolition of programs not considered necessary to the efficient conduct of government; the elimination of nonessential activities which are competitive with private enterprise; and the relocation of agencies now responsible directly to the President in departments or other agencies.

At its organization meeting on September 20 the commission authorized the creation of eight task forces to make special studies and prepare draft recommendations. Members of these task forces are to be named by the chairman but additional research specialists may be added at the request of other members of the commission. Subjects to be studied by these task force groups include personnel, water and power resources, coordination of federal medical services, independent agencies, and surplus property.

#### **Citizens Committee Report**

The Citizens Committee for the Hoover Report, organized in May, 1949, to promote public education in support of the recommendations of the first Commission on Organization of the Executive Branch of the Government, has issued a two-volume report on the current status of the commission's recommendations. Volume I reviews the background, findings, and results of the commission's nineteen reports. Volume II goes more deeply into detail concerning the disposition of the 273 specific recommendations contained in those reports.

"Unfinished business" listed in Volume I includes the following items:

1. Reducing the number of agencies reporting directly to the President.
2. Unification of federal medical services.
3. Elimination of interagency competition in the field of natural resources.
4. Unification of the management of public lands.
5. Improvements in the Veterans Administration.
6. Further improvements in accounting and appropriations procedures.
7. Taking postmasters, collectors of customs, and U. S. marshals out of politics.
8. Merging civil servants in the State Department with the department's Foreign Service personnel.
9. Substantive policy changes in the conduct of the nation's agricultural affairs.
10. Establishing an accountant general in the Treasury.
11. Placing the Federal Deposit Insurance Corporation and the Export-Import Bank in the Treasury.
12. Transferring the Bureau of Indian Affairs from the Interior Department to the new Department of Health, Education, and Welfare.

Copies of this report may be secured from the Research Department, Citizens Committee for the Hoover Report, 320 The Washington Building, Washington 5, D. C.

#### **Civil Service Commission Reorganization**

The U.S. Civil Service Commission announced in August its plans for a major reorganization, designed to adjust the organization structure to the changing emphasis in the commission's role from an operating to a planning and control agency.

One important effect of the reorganization is to reduce the number of people reporting directly to the executive director through the consolidation into bureaus or the elimination of a number of special divisions and offices which have been created from time to time to meet certain emergency situations. As a result, the executive director is expected to have more time to devote to the development of governmentwide plans for improved personnel administration.

Under the new plan, most of the commission's business will be carried on through the following five bureaus: Programs and Standards; Management Services; Inspection and Classification Audits; Field Operations; and Departmental Operations.

The new Bureau of Programs and Standards is responsible for program planning and research and for all of the work pertaining to the preparation, revision, and publication of standards. This separates these functions from the so-called "execution" or operating functions and brings together in one unit activities which were formerly divided between the Examining and Placement Division and the Position Classification Division. The consolidation of all work on standards is intended to minimize inconsistencies which lead to confusion in interpreting the two types of standards and avoid duplication of effort in studying the same occupations for different purposes. All of the standards work will be divided into sections on the basis of occupational groupings.

A career programs section in the Programs and Standards Bureau is responsible for the executive development and special intern and supervisory development programs and for

leadership in improving governmentwide personnel practices which affect employees from the time they enter government employment until they leave. These include such matters as incentive awards programs, performance rating systems, vacation and sick leave regulations, grievance procedures, and policies respecting promotion, demotion, suspensions, removals, separations, and reductions in force.

Another important consolidation merges into the Bureau of Inspection and Classification Audits responsibility for all work in the Washington metropolitan area involving (a) the inspection of agency personnel programs and operations and (b) the audit of agency position classification actions. This change eliminates the possibility that the commission will have representatives from two separate parts of the organization going into the same agencies to do work of an audit, inspection, or appraisal nature.

Responsibilities for field program management, field budgets, regional office allotments, regional office staffing, and so forth, some of which have been heretofore in operating divisions, have been consolidated in the Bureau of Field Operations. The internal organization pattern of regional offices is not being changed at this time.

### **Management Improvement Fund**

An appropriation of \$500,000 for management improvement was included in the Supplemental Appropriation Act of 1954, passed in the final days of the first session of the 83rd Congress. This amount was made available "for expenses necessary to assist the President in improving the management of executive agencies, and in obtaining greater economy and efficiency through the establishment of more efficient business methods in Government operations."

Under the terms of the act, the President is authorized to make allocations to federal agencies from this Management Improvement Fund for the conduct of examinations and appraisals of the organization and operations of executive agencies and for the development and installation of improvements in organization and operations. An Executive order issued by President Eisenhower on September 4

delegates to the director of the Bureau of the Budget authority to make these allocations to federal agencies and directs him to supervise the management improvement activities financed by the allocations and report progress from time to time.

The new appropriation insures continuation of the special activities initiated under Executive Order 10072, issued by President Truman in July, 1949, following completion of the reports of the first Commission on Organization of the Executive Branch. That order directed each department and agency head to make systematic review of his programs and operations with the object of identifying opportunities for increasing their effectiveness and economy; to schedule action for achieving such improvements; and to report periodically to the Bureau of the Budget. The order also established the President's Advisory Committee on Management, consisting of government officials and others broadly representative of managerial interests in private life, to assist the President in creating a governmentwide program for management improvement.

The order was given legislative support through Title X of the Classification Act of that year which provided for the payment of cash incentive awards for efficiency. At the same time, the President was authorized to use up to \$1 million of reserve funds for special studies in areas left open by the commission's work. Studies made under this authorization included reviews of federal retirement systems and of overseas administration, both recommended by the commission, and an examination of various special problems facing the newly created General Services Administration, the Interior Department, the Coast Guard, and the Office of Education.

The present appropriation of \$500,000 is the first amount specifically earmarked for management improvement activities. Previous expenditures for this purpose all came from reserve funds which reverted to the Treasury at the end of the fiscal year.

### **Intergovernmental Relations Commission**

The twenty-five member Commission on Intergovernmental Relations established during the first session of the 83rd Congress held

its first meeting at the White House on September 30. Chairman of this commission, set up on the President's recommendation to study the means of achieving a sounder relationship between federal, state, and local governments, is Clarence E. Manion, former dean of the Law School of Notre Dame University.

The act establishing the commission provided that five members should be appointed by the President of the Senate, five by the Speaker of the House, and fifteen by the President. The five Senators appointed by Vice President Nixon are: Guy Cordon (R) of Oregon, Robert C. Hendrickson (R) of New Jersey, Clyde R. Hoey (D) of North Carolina, Hubert H. Humphrey (D) of Minnesota, and Andrew F. Schoepfel (R) of Kansas.

The five members of Congress appointed by Speaker Martin are: John D. Dingell (D) of Michigan, James I. Dolliver (R) of Iowa, Brooks Hays (D) of Arkansas, Noah M. Mason (R) of Illinois, and Harold C. Ostertag (R) of New York.

The fourteen presidential appointees in addition to Chairman Manion are: William Anderson, University of Minnesota; Lawrence A. Appley, president of the American Management Association; John S. Battle, Governor of Virginia; John E. Burton, vice president of Cornell University; Alfred E. Driscoll, Governor of New Jersey; Marion B. Folsom, Under Secretary of the Treasury; Charles Henderson, Mayor of Youngstown, Ohio; Mrs. Oveta Culp Hobby, Secretary of the Department of Health, Education, and Welfare; Samuel H. Jones, former Governor of Louisiana; Clark Kerr, chancellor of the University of California; Mrs. Alice K. Leopold, Secretary of State for Connecticut; Val Peterson, director of the Federal Civil Defense Administration; Allan Shivers, Governor of Texas; and Dan Thornton, Governor of Colorado.

President Eisenhower referred to the work of the commission in connection with his veto on August 15 of a bill which would have authorized payment to the city and county of Denver for street improvements in front of property of the United States adjoining Lowry Air Force Base. Noting that in terms of the specific facts the claim seemed equitable, the President nevertheless withheld approval because of the long-established principle of con-

stitutional immunity of the federal government from state and local taxation. At the same time, he stated that he believed this subject to be within the scope of the new commission's assignment and indicated his intention to request that its report include recommendations directed toward the solution of the many difficult problems which arise in the field of intergovernmental tax immunities.

### Survey of Natural Resources

A full-scale survey of the nation's natural resources—their extent, the demands upon them, and how best to use and conserve them—will take place in Washington December 2-4, 1953, when the Mid-Century Conference on Resources for the Future meets. The conference has been called by Resources for the Future, Inc., a nonprofit corporation with offices in Washington, fostering research and education in the natural resources field. The corporation has received a grant from the Ford Foundation for conducting the conference.

The basic question to be considered by this nationwide citizens' forum is: How can we mobilize our resource base—land and its products, water, minerals, and energy—to support the continuously expanding demands of a growing population and assure sound economic growth and national security?

At a conference limited to three days, all resource problems admittedly cannot be comprehensively discussed. Eight sectional meetings, running concurrently, have therefore been organized to discuss the following major subjects: competing demands for use of land; utilization and development of land resources; water resource problems; domestic problems of nonfuel minerals; energy resource problems; U.S. concern with world resources; problems in resources research; and patterns of co-operation. Eight small steering groups of experts—each responsible for a section—have been meeting during the fall months to help lay the conference groundwork.

Based on their own special knowledge of issues involved, and with the aid of contributed materials from industrial sources and such background documents as the Cooke report on water resources, the Paley Commission report on natural resources, and some studies of the



Hoover Commission, the steering committees have identified the major issues most urgently requiring study and solution. Each steering committee has prepared for advance distribution a background paper for use as a discussion guide in its section.

The Mid-Century Conference is the first meeting of its kind on so large a scale since the modern conservation movement was launched a half century ago under President Theodore Roosevelt. It will mark one of the few occasions in which representatives of the industries which extract, trade in, and use raw materials have joined with representatives of conservation groups and others interested in long-range planning in a discussion of problems of mutual interest.

The conference will not endorse programs or come forward with a program of its own. Rather, as President R. G. Gustavson of Resources for the Future, Inc., has said, "the great contribution of this mid-century meeting can be to lay the groundwork for the adoption by others, in both public and private undertakings, of policies and programs which will safeguard and promote the national interest now and for later generations."

#### **Disaster Research Clearing House**

A Committee on Disaster Studies has been established by the National Academy of Sciences and the National Research Council. The committee collects, collates, and disseminates scientific information on disaster problems for the use of public agencies and private individuals and groups with research interests in this field. It is interested in, and seeks to stimulate, studies relating to: (1) the psychological reactions and behavior of individuals, groups, and populations to disaster; (2) the sociological disorganization and reorganization of communities or populations; and (3) control, relief, and rehabilitation in disaster areas.

Of particular interest to administrators, the third category includes such broad problems as state and local organization for disaster preparedness and relief, intergovernmental relations in disaster areas, and the coordination of public and private activity. Such specific disaster problems as medicine and health, evacuation, housing, welfare, transportation, supply,

finance, law, communications, and public information are also of interest.

The committee is prepared to provide bibliographic service to responsible individuals, agencies, and groups and to refer inquirers to other researchers and sources of information. Inquiries or information about bibliographies, preparedness studies and reports, recorded experience in actual disaster situations, or any current research in the field may be addressed to Committee on Disaster Studies, National Research Council, 2101 Constitution Ave. N.W., Washington 25, D. C.

#### **State and Local Public Employment Conditions**

Reports from various groups interested in improved employment conditions for public service employees in state and local jurisdictions indicate progress along a number of lines.

Twenty-four states now grant 15 or more work days of vacation with pay to their employees. Ten of these states allow vacations with pay allowances to accumulate to 30 days or more. Eight other states increase the amount of vacation allowed according to the number of years an employee has been in service. Twenty states also grant sick leave at the rate of a day or more per month and allow earned unused sick leave to accumulate to 90 or more days. Until recently, two weeks' vacation per year and a month's sick leave cumulative to 30 days was the general rule.

A similar trend can be noted in city and county jurisdictions. In many cities, employees who have completed a year of service receive 15 or more days of vacation with pay each year. Cities and counties in many states permit employees to earn sick leave at the rate of 15 or more days per year and to accumulate unused portions of sick leave to a maximum of 90 days or more.

Another interesting development is the increasing use of written agreements establishing working conditions for government employees. A report on this subject by the Civil Service Assembly points out that these agreements, negotiated between civil service unions and government officials, differ from collective bargaining contracts between industrial unions

and management. The latter are legally binding on both parties and can be enforced by court action, whereas public officials cannot legally bind the legislative body by this type of written agreement.

Despite this limitation, many government employers have found that better employer-employee relations result from establishing personnel procedures and working conditions after consulting with and obtaining the agreement of employee unions. Points of agreement are often put in writing as the result of these negotiations and, although both parties recognize that these agreements are not legally enforceable, they serve to improve personnel relations by reflecting the good faith and mutual understanding of employer and employee.

According to the American Federation of State, County, and Municipal Employees, public employers who have adopted written agreements with their employees since the first of the year include: Geneva, New York; Lawrenceburg, Indiana; East Providence, Rhode Island; Rome, New York; Kewanee, Illinois; Kaukauna, Wisconsin; Idaho Falls, Idaho; East St. Louis, Illinois; and Wyandotte, Michigan.

The benefits of old age and survivors insurance provided under the federal Social Security Act are also being extended to an increasing number of state and local government employees. Prior to 1950, the federal Social Security Act did not apply to employees of state and local government jurisdictions, but amendments to the act adopted in 1950 permit states to pass enabling legislation authorizing their Governors to enter into agreement with the federal security administrator extending old age and survivors insurance to those state and local employees who are not already under a state or local pension plan. Currently, all but five states have passed this enabling legislation and a number of new acts provide for coverage retroactive to January, 1951, as in Georgia, New Jersey, North Carolina, South Dakota, Utah, Vermont, and West Virginia.

The exclusion from social security benefits of state and local government employees already under a pension plan has worked a hardship on some members of this group where the pension plan in effect carried benefits con-

siderably lower than those provided under the federal system. However, Virginia, Iowa, Oregon, South Dakota, and Wyoming have arranged to give their employees the advantage of basic social security protection plus additional benefits from a state retirement plan by liquidating their existing public employee retirement plan, enacting enabling legislation for social security coverage, and then establishing a new retirement system to supplement social security.

#### **Reorganization Plan for Los Angeles**

A modified mayor-administrator form of city government has been recommended by the Los Angeles Commission for Reorganization of City Government in its final report, completed early in the summer.

Under the proposed plan the city administrative officer, appointed by the Mayor with the approval of the City Council, would direct the operations of most city departments. This position was created by a charter amendment proposed in an earlier report of the commission and approved by the voters in May, 1951, but to the present he has functioned primarily as a budget director. The new proposal would put the administrative officer in charge of twelve departments in addition to budgeting—administrative services, personnel, police, fire, public works, building and safety, social service, recreation and parks, receiving hospital, library, animal regulation, and press relations. The health and municipal art departments, which the commission believes should be consolidated with corresponding departments of Los Angeles County, would also be under the city administrative officer for the time being.

The commission found that a large number of boards and commissions were involved in the management of the city departments. Most of these bodies, the commission recommended, should be relieved of their administrative duties and become advisory and appeals boards. Excepted from this recommendation were the semi-independent proprietary departments—water and power, harbor, and airport—and the board planning agencies which would remain directly under the Mayor and Council.

The Mayor would appoint, subject to Council approval, the members of all boards and

commissions, as well as the city clerk, the treasurer, and the public defender. The city controller and the city attorney would continue to be elected.

The city administrative officer would, as at present, be appointed by the Mayor, with majority confirmation by the Council, and could be removed by the same process or by the Council on its own motion and with a two-thirds vote. The city administrative officer would appoint the heads of all departments under him, with the consent of the Mayor and Council and, for the present, subject to merit system regulations.

It was recommended that the civil service system be reorganized and its internal procedures improved. A new position of director of personnel would be created, with supervision over personnel selection, pensions, retirement systems, and workmen's compensation insurance. The commission also proposed establishment of a single agency to determine salaries and wages for all city employees. Annual adjustment of pension benefits to cost of living was recommended.

The Reorganization Commission, a citizens' group, was established in 1949 to make an overall appraisal of the Los Angeles city government. If the commission's recommendations are adopted, they will constitute the first major change in the city's governmental structure since the present charter was adopted in 1925.

#### **Mayor-Manager Plan for New York City**

A preliminary report released by the Temporary State Commission appointed by Governor Dewey to study the feasibility of adapting the city manager form of government to New York City (see Summer, 1953, *Review*, p. 212) recommends adoption of an arrangement which is designated as the "mayor-manager plan." Under this plan a city administrator, appointed by the Mayor on the basis of professional managerial qualifications but serving at the Mayor's pleasure, would carry major responsibility for the administrative aspects of the city government. The existing office of Deputy Mayor is continued; the occupant of this position to assist the Mayor in carrying out his legislative and ceremonial responsibilities.

The preliminary report also recommends

the substitution of a performance budget with a clear and comprehensive financial plan for the present line-item budget and the establishment of a new department of personnel administration headed by a director.

Draft legislation to implement the commission's recommendations is included in the report which has been widely distributed to facilitate public discussion prior to the filing of the final report with the Governor and the Legislature.

Two members of the nine-man commission dissented from the recommendations of the majority and issued a minority report.

To become effective the recommendations must be acted on by the City Council and Board of Estimate or by the voters through initiative and referendum.

#### **Home Rule Question in Wisconsin**

Wisconsin municipalities were cheered by a veto message sent to the State Legislature during a recent session by Governor Walter J. Kohler. Returning without his approval a bill which was intended to limit, by legislative action, the hours of duty of firemen in certain towns, villages, and cities, Governor Kohler wrote:

Our present law enables the duly elected officials of the communities involved to determine the hours of work, and to shorten the work week of firemen if they consider it desirable. Consequently no legislative action is necessary to accomplish that end.

Historically, we in Wisconsin have held that government is best administered at the level which is closest to the electorate. This principle is found throughout our system of government from the national, through the state, to the local municipal level.

When the national government has interfered in matters of state concern, and attempted to force upon us regulations and programs affecting state finances, we have objected.

This bill, on a state level, does what we have condemned in the federal government. It attempts to determine, by state action, a matter of purely municipal concern. Furthermore, although this measure would result in greater cost to the municipal governments, it makes no provision for meeting the increased cost.

The current trend in American government is to enlarge, rather than restrict, local responsibility. I believe that trend is a return to our original phi-

losophy of government in the United States, and that it is a sound trend. I have too long and too often fought for local responsibility, to ratify or condone a measure such as this, which is a step in the opposite direction.

Any municipality has the privilege of reducing the work week of its firemen to seventy-two hours. If the elected officials fail to do so, and this decision is not in accordance with the wishes of a majority of the citizens in the municipality, the responsible officials can be replaced by the means provided in our representative form of government.

### **In-Service Training Programs**

Municipalities interested in establishing in-service training programs for their employees are discovering that technical advice and assistance and in some instances financial help as well are available from state boards of vocational guidance, local schools and colleges, and other public administration agencies or organizations.

During the past two years, 22 states have sponsored in-service training for city employees, according to a recent survey by the International City Managers' Association. Training programs for city firemen were the most prevalent, with 18 of the 22 states assisting in this field. Courses for policemen were the next most frequent—in 7 states. Management or supervisory development courses were offered in only 5 states—California, Illinois, Missouri, Washington, and Wisconsin. These 5 states were also the only ones in which the concept of vocational training was broadened to permit administrative officials and supervisors to receive training appropriate to their jobs.

In Utah a number of state-sponsored courses were given in cooperation with the State Municipal League. While courses were offered only through organized educational agencies, such as vocational colleges, junior colleges, and local boards of education, programs were planned directly with representatives of the cities involved and the Utah Municipal League. Representatives of the State Education Department monitored each course to evaluate its worth as a public school activity and to insure high standards.

States that absorbed the entire cost of municipal training were California, Idaho, Flor-

ida, Pennsylvania, and Wisconsin. In Missouri the city furnished its own instructor and the state underwrote 75 per cent of the other costs of the course; in Texas the state assumed 75 per cent of the instructional charges. States which paid half the instructional costs were Colorado, Maine, North Dakota, Utah, and Wyoming.

In Wisconsin the state absorbed training costs when any proposed course met the following requirements: (1) it was needed to improve the efficiency of a municipal department; (2) a qualified instructor was available to teach it; (3) facilities and equipment were readily available at the vocational school; (4) a course outline was prepared and approved by the head of the department or division requesting the service; and (5) the course was approved by the local vocational board. In addition to performing its educational function, the state training agency maintains a testing service to assist city police and fire commissions in recruiting qualified personnel.

### **Housing Administration Courses**

Morgan State College in Baltimore, Maryland, is the first in the country to initiate a full four-year course in housing, leading to a bachelor's degree in housing administration. The program is centered in the Economics Department of the college but liberal arts courses as well as specific courses in housing are offered to persons majoring in the field. The special housing course includes an introduction to housing; economic, social, and political aspects of housing; business organization and administration; real estate law; principles and practices of property management; and dwelling plan and construction.

Howard University in Washington, D. C., offers a similar course through the University's Department of Business Administration. A separate four-year course in real estate and insurance is also offered at Howard.

### **International Congress of Administrative Sciences**

The International Institute of Administrative Sciences held its Ninth Congress in Istanbul, Turkey, September 6-14, 1953.

The United States Section of the Institute



is a standing committee of the American Society for Public Administration. At the Congress, the Institute removed restrictions on the size of national sections and elected twelve additional U.S. members. The national sections of Germany, Israel, Luxemburg, Sweden, and Turkey were also enlarged. India and Japan are in process of forming sections.

The Institute has grown rapidly since the Berne Congress in 1947. There are 20 countries now which are state members as against 12 in 1947, and 22 national sections as against 7 in 1947. Representatives of some 46 countries take part in the Institute's activities, either as members or as members of one of the committees.

About 30 countries were represented at Istanbul. The United Nations and the United Nations Educational, Scientific and Cultural Organization also sent representatives. At least 15 delegates came from the United States, including Rowland A. Egger, chairman of the United States Section; Donald C. Stone, chairman of the Committee on Administrative Practices; and Herbert Emmerich, vice president of the Institute. Charles S. Ascher of New York, who represents the Institute at the Economic and Social Council of the United Nations, prepared a report on UN-Institute relations, but at the last minute was unable to attend the Congress.

New statutes for the governance of the Institute were adopted, recognizing the change in the organization from its prewar status as a relatively small group of individual members to a body composed of national sections, national governments, and corporate members with authority for recognition of international sections composed of officials of international agencies. A provision advanced by the United States Section was adopted to the effect that there be only one top, paid administrative official, the director general, in charge of the administrative services. Paul A. Schillings, heretofore director of services, was elected director general. Provision was also made that at all times either the president or a vice president shall be a citizen of the country in which the Institute has its headquarters, thereby honoring Belgium, which has been host to the secretariat for many years and has liberally supported the work of the Institute.

Eight officers were elected at the Congress; they will comprise the new Executive Committee. René Cassin, vice president of the French Council of State, will be president. The four vice presidents who will sit on the Executive Committee are Frants Hvass (Denmark), Gerrit-Abraham van Poelje (Netherlands), Albert J.-T. Day (United Kingdom), and Jules Lespes (Belgium). Chairmen of the permanent committees are Donald C. Stone (United States), Committee on Administrative Practices; Henri Puget (France), Scientific Committee; and André Molitor (Belgium), Supervisory Committee. The Executive Committee may co-opt four additional representatives of national and international sections.

Edmond Lesoir, former secretary general of the Institute, was elected treasurer.

Mr. Stone, who is now the president of Springfield College, will have the institutional support of Public Administration Clearing House for his work on the Committee on Administrative Practices.

President Cassin appointed a committee to make recommendations on the future techniques of congresses and round tables. Edwin Samuel (United Kingdom) will chair the committee and the other members will be Roger Grégoire (France), Umberto Borsi (Italy), Gunnar Heckscher (Sweden), and Charles S. Ascher (United States).

The Turkish Organizing Committee and the Belgian secretariat will issue a report of the proceedings at Istanbul. The Congress was heavily documented for both the technical and the administrative sessions. Subjects of the technical sessions under the aegis of the Scientific Committee were: (1) International Administrative Jurisdictions; (2) Comparative Administrative Law Cases; (3) Grants-in-aid as a Way of Administration; and (4) Economic Administration. The subjects under the supervision of the Committee on Administrative Practices were: (1) Conduct of Technical Assistance and Economic Development Activities, including (a) Administrative Problems in the Conduct of Economic Development Programs, and (b) Case Examples in Technical Assistance in the Field of Public Administration; (2) The Budget as a Working Program of the Government; and (3) Achieving Higher Professional and Ethical Standards in the Public

Service. Joint sessions of the two committees discussed: (1) Economic Administration and (2) The Training of Public Servants, National, International, and Supranational.

The New York office of Public Administration Clearing House prepared the working papers for the sessions on training of public servants and on ethics. It also helped to finance the Institute's publication in book form of the report prepared by John King of Virginia on international administrative jurisdiction.

The organizing committee arranged many social events for the delegates to the Congress, including an all-day boat trip on the Bosphorus, a one-day visit to Ankara, the capital of Turkey, visits to the national, provincial and local officials, and sightseeing and receptions in and about Istanbul.

A seminar sponsored jointly by the United Nations and the Institute of Public Administration for Turkey and the Middle East was held at the University of Istanbul for ten days immediately following the Congress. Henry Reining of the University of Southern California and M. Leon Dayton, chief of the United States Economic Mission to Turkey, were the United States participants.

### International Congress of Local Authorities

Over 550 delegates from more than 25 countries registered at the Eleventh International Congress of Local Authorities, held in Vienna in June. The main theme of the Congress was: the large city versus the small community—their strengths and weaknesses. Reports received from more than 20 constituent national unions covered a wide range of municipal affairs, with statistics on sizes of communities, summaries of legislation limiting the size of cities, descriptions of forms of cooperation between small communities for the supply of services, and so forth. Prior to the Congress, these reports were synthesized and distributed in English, French, and German editions as a printed monograph of 120 pages.

The general report for the large city was made by Karl Honay, Vice-Mayor of Vienna; for the small community, by Ed. Depreux, Mayor of Sceaux, France, former Minister of the Interior. The consensus in the discussion

was that steps must be taken to strengthen the sense of civic participation by the average citizen in the great city; reports of various forms of neighborhood councils were received with interest. On the other hand, there was general sentiment that the small community has a genuine role to play—that it must be preserved and that its capacity to render services must be strengthened.

Other topics discussed were: municipal finance, led by Mayor Elmer Robinson of San Francisco; the work of national unions of cities, for which the general reporter was Kjell Evers of the Norwegian Union of Cities; and the program of the United Nations and its agencies concerning local government, led by Charles S. Ascher, representative of the Union at the UN, and M. G. deLacharriere of the Social Sciences Department of UNESCO.

The municipality of Vienna provided instructive tours of housing estates, kindergartens, and recreation centers, and a concert and reception in the great Rathaus.

Countries represented included Japan, Indonesia, India, Turkey, Israel, the Sudan, and Yugoslavia, as well as the countries of Western Europe and North America.

Dr. Oud, retiring Burgomeister of Rotterdam, was re-elected president; other officers re-elected included Col. Paul Betters, executive director of the U. S. Conference of Mayors. M. Spiney, Mayor of Mechlin, Belgium, and Mr. Evers, of Norway, were added to the executive committee.

Twenty mayors, councilmen, and other officials from U. S. cities attended, many accompanied by their wives. The President of Finland took the occasion to bestow on Col. Betters the order of Commander of the Order of the Finnish Lion in recognition of his services to international municipal collaboration.

### UN Staff Programs

An address by Secretary-General Dag Hammarskjöld, a reception for all members of the Secretariat, and entertainment were features of UN Staff Day which was held on September 8 in the General Assembly Hall in New York. UN Staff Day was part of a larger program designed to strengthen *esprit de corps* of the UN Secretariat.

The main feature of the program is a plan for departmental, divisional, and other group discussions among supervisors and staff members of the Secretariat. The plan was agreed upon by the Secretary-General and the chairman of the UN Staff Committee as a means of counteracting "the divisive tendencies resulting from the professional specialization of the various parts of the Secretariat, its hierarchical structure, its physical dispersal over 38 floors, and the differences of national background between staff members."

The plan proposes that meetings of supervisors and staff be held during working hours. Conference rooms and interpreting services will be made available where necessary. Meetings may be called by supervisors or by elected officers of the staff. Both general meetings and committee discussions "in small representative groups" will be encouraged, and discussion groups of all kinds will receive every possible encouragement, according to an announcement by the Secretary-General and the chairman of the Staff Committee.

The announcement states that the planned discussion meetings will not conflict with the activities of the Staff Association of which the Staff Council is the principal organ. On the contrary, the plan's sponsors hope that unit discussions will stimulate the UN Secretariat staff and thereby give fresh vigor and momentum to Staff Association activities. The Secretary-General, as well as supervisors at all levels, including assistant secretaries-general, principal directors, and directors, plan to participate actively in the new programs.

#### **Foreign Students in Public Administration**

Approximately 130 foreign students enrolled in American colleges and universities were taking programs in public administration during the academic year 1952-53, according to reports based on the census of foreign students made by the Committee on Friendly Relations among Foreign Students and the Institute of International Education. Most of these students were located in a few universities: Harvard, 26; American University and University of Southern California, 23 each; and New York University, 17. Some 25 other

institutions also had foreign students of public administration.

The geographical distribution of countries of origin of these students is wide, including 47 from the Far East, 40 from Latin America, 17 from Europe, 16 from the Near East, and 8 from Africa. The largest group from a single country, 19, was from Brazil. There were 11 students from the Philippines; 11 from China; 6 each from India, Turkey, and the United Kingdom; and 5 each from Israel, Korea, Nigeria, and El Salvador. In some instances the students came under programs financed by the United Nations or the United States Point-Four Program, but in many others they were privately supported or had received fellowships from their own governments.

#### **Administrative Training Research in Uganda**

New light may be shed on the ability of Western public administration experts to train personnel in the less developed countries to cope effectively with the administrative problems of societies going through rapid change by a research project now being undertaken by the East African Institute of Social Research at Makerere College, Kampala, Uganda, with the support of an \$80,000 grant from the Carnegie Corporation. The project will involve a comparative study of two tribal areas. In the first, the old system of "indirect rule" prevails; in the second, a new colonial policy has been inaugurated.

Under indirect rule, administration was carried out through native hierarchies, frequently chosen on hereditary principles, and traditional tribal institutions were left intact so far as possible. Because these older arrangements were deteriorating under the impact of contemporary economic and political pressures, the British administration since World War II has been experimenting with the introduction of new organs of government modeled on English practice, involving the election of local councils and the employment of Western-trained career officials chosen competitively.

The institute will study both situations analytically, and seek to discover methods of training that will produce African leaders capable of developing administrative institutions and

dealing with modern problems without at the same time introducing too great a disruptive force in traditional societies. Audrey Richards, an English anthropologist, is director of the institute.

#### **Civil Service in Costa Rica**

A comprehensive personnel program covering public service positions in Costa Rica is being installed as the result of a law recently voted by the national Assembly. Passage of this law marked the completion of a five-year campaign which started with the establishment of an Office of Personnel Selection in 1948. Subsequently, a Study Commission of representatives of all Ministries prepared a draft law, assisted by one of the public administration consultants assigned to Latin American governments under the technical assistance program of the Institute of Inter-American Affairs. The President of Costa Rica and his Cabinet devoted two full sessions to a review of this draft before sending a proposal to the Assembly, which approved the bill by a unanimous vote.

The law provides for a single administrator responsible directly to the President. Under his supervision, the new agency is assigned responsibility for recruitment and selection, classification, promotions and transfers, and service ratings. It is also expected to stimulate training, particularly in the field of management, and aid in the installation of a modern personnel system.

Provision is made for a Civil Service Tribunal to hear appeals, with a limited right of further appeal to the labor courts. The law deals at length with the rights and obligations of employees, disciplinary matters, and dismissals.

A special provision of the law allows several years in which to put the new program into effect.

#### **UN Fellowship**

Fellowships to study the operations of the UN and to write extended essays on some aspect of the theme, "Teaching about the United Nations," are to be granted to educators from various countries by a Memorial Fund for the late Dr. Bryant Mumford, former director of the Special Service Division of the UN Department of Public Information. The annual award of \$2,500 is financed by a gift from Dr. Mumford's widow and some of his associates in the UN Secretariat. Each year an area will be designated from which the recipient will be chosen; the first year it will be Africa because Dr. Mumford once served as Superintendent of Education in Tanganyika, now a UN Trust Territory under British administration.

The recipient will spend about nine months at the UN Headquarters in New York, attending meetings, observing the operations of the Secretariat, reading documents, and so on. The UN Department of Public Information will promote publication of worthy manuscripts, and the publication of several contributions in a single volume has been suggested. The Fellowship Committee for this award is composed of Benjamin Cohen, UN Assistant Secretary-General for the Department of Public Information; Donald J. Shank, Executive Vice-President of the Institute of International Education; and Ivan T. Sanderson, a specialist in natural history. Applications for the first award must be submitted by March 1, 1954.



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